

## Jobs and Work

**Mr Speaker:** I inform the House that I have selected amendment (b) in the name of the Leader of the Opposition.

1.44 pm

**Mr Chuka Umunna (Streatham) (Lab):** I beg to move an amendment, at the end of the Question to add:

“but regret that the measures in the Gracious Speech fail to ensure that those who put in a hard day’s work get a decent reward for doing so, or cut the costs to the social security system resulting from the current record 5.2 million workers on low pay and the rising tide of insecurity at work; and call on your Government to bring forward measures setting the Low Pay Commission a five year target to raise the National Minimum Wage faster than average earnings while retaining the capacity to take account of shocks to the economy.”.

We are here to debate the Queen’s Speech, and in particular its impact on jobs and work. Ultimately, to create jobs and work so that someone can raise a family we need sustainable and balanced growth. We cannot legislate our way to sustainable and balanced growth, but a Queen’s Speech and the proposed legislation therein has a role to play. Essentially, today we are debating the economic policies of this Government.

**Stephen Mosley (City of Chester) (Con):** Will the hon. Gentleman give way?

**Mr Umunna:** Just one moment. I will give way in a bit.

When I first arrived in this House—together with the hon. Member for City of Chester (Stephen Mosley), I think—I remember that all Government Members wanted to do was talk about the previous Government. This is now their fourth Queen’s Speech and fifth year in office, and it simply will not do to drone on about the last lot. They are in government; they have a record and we will hold them to account for it.

When this Government entered office the country was recovering from a recession that was caused by a global financial crash and precipitated by irresponsible behaviour in the banking sector. When they took office, a recovery was under way, unemployment was falling, growth was rising and stability was beginning to settle in. Those are the facts. However, the extreme fiscal consolidation that they attempted to embark on choked off growth for the best part of three years, causing the Business Secretary, the Work and Pensions Secretary and their ministerial colleagues to fail completely to

**11 Jun 2014 : Column 571**

meet their deficit reduction targets. That led to a huge amount of misery for the British people as unemployment soared beyond 2.5 million. Consequently, they borrowed more in three years than the last Labour Government did in 13—again, the facts.

During those three wasted years, the eurozone slumped almost as badly as Britain. Indeed, the Government frequently pointed to the impact of the crisis in the eurozone on our economy. Of course, that crisis hit our exports, and the Business Secretary, like others, referred to that and its impact in this House during previous Queen’s Speech debates. There are, however, a couple of important points. As the economist Lord Skidelsky put so well in his essay on this subject in March, we should have done so much better than the eurozone, given that we retain the pound and control of our exchange rate. The eurozone slump arose in part because European Finance Ministers were pursuing exactly the same kind of failed policies as the Business Secretary and his colleagues.

Things have thankfully moved on. I know the Prime Minister and Chancellor like to take the credit for the return to growth that we are seeing, but let us be clear: the fact that the recovery has kicked in is down to two

things. First is the utter determination and hard work of our businesses and firms in weathering the storm, as well as their ingenuity and continuing capacity to innovate, and second is the hard work and compromises made by their employees.

So often we have sat in this House and had to listen to Government Members, week after week, smearing and denigrating our trade unions. I will be most surprised if we get through this debate without that happening again. The agreements that so many workplace convenors reached with firms and businesses in this country—taking pay cuts; accepting reduced hours—helped keep those firms afloat during these difficult times. That is why I am proud to be a member of the GMB and Unite.

We are certainly not out of the woods. The fact that the Bank of England still has the pedal on the floor with a 0.5% interest rate illustrates how fragile the economy still is, and how far the recovery has to go. More than three quarters of a million young people are still out of work. On average, people are still earning £1,600 a year less than they were when this Government came to office. In fact, before I came into the Chamber, I was just speaking to my hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) who told me that she has a 42% rate of poverty among the children in her constituency, so we still have a lot more to do.

The 2008-09 crash exposed long-standing, big structural problems in our economy that go back decades, admittedly under Governments of different persuasions, and have to be dealt with. This is in spite of the progress made by the previous Government and the stronger supply-side conditions we achieved. What we have now is an economy unbalanced by sector and region, short-termism in our corporate culture leading to low levels of business investment and low productivity, a dysfunctional finance system, and a stubborn and increasing trade deficit.

**Mr Marcus Jones (Nuneaton) (Con):** Does the hon. Gentleman think it was a measure of the success of the previous Labour Government when our country lost 1.7 million manufacturing jobs?

**11 Jun 2014 : Column 572**

**Mr Umunna:** I absolutely agree with the hon. Gentleman that we need to diversify our economy and grow our manufacturing base, but, as I have just said, these structural issues have grown up over a number of decades under Governments of different persuasions.

At the same time as we are dealing with these structural issues, we face more competition from emerging markets and others than we have ever experienced before, with technological advance and automation creating new jobs but destroying old ones too. That has left our economy failing to meet the material needs of too many families. The problems of these imbalances have resulted in our country having one of the highest incidences of low-paid work in the OECD.

I, of course, accept that any job is better than no job. I note that the Chancellor gave a speech earlier this year committing his party to full employment. They say imitation is the sincerest form of flattery. The only problem with what the Chancellor said is that it is almost 70 years late. It was, of course, the great reforming Attlee Government who first committed to full employment, in our manifesto “Let us Face the Future” in 1945. Unlike the Chancellor, however, we have long sought to build on that commitment. What we want is for everyone in this country to be able to access good work that affords them a level of dignity and respect, and, importantly, that is secure and pays a wage that they can live off. That is simply not the reality for far too many people in Britain in 2014.

**Geraint Davies (Swansea West) (Lab/Co-op):** There are now 1 million people on zero-hours contracts. Does my hon. Friend accept that their lives consist of moving in and out of benefits? When there is discontinuity in benefits, people have to go to food banks. That is not the way to build a strong economy. Surely, we need infrastructure in city regions and to move forward with export-driven growth, rather than having people living in poverty on zero-hours contracts.

**Mr Umunna:** I completely agree with my hon. Friend.

**Charlie Elphicke (Dover) (Con):** A few moments ago, the hon. Gentleman talked about a wage that people can live on. Will a future Labour Government commit to having a living wage in place of the minimum wage, or will his speech be more about rhetoric than firm commitments and pledges to the British people?

**Mr Umunna:** The hon. Gentleman raises a good point, because 22% of employees in his constituency under this Government are paid less than a living wage. I will come on to what we intend to do and what is so sorely lacking in the Queen's Speech.

We do not want to wait until a Conservative Chancellor sees the light and matches our ambition in 2084. What we are hoping is that in the Queen's Speech, and the Bills that follow, he will match our commitment and ensure that we have a better-waged economy. There are two parts to this challenge: first, action to tackle low pay and insecurity at work—I will come on to what the hon. Member for Dover (Charlie Elphicke) talked about—and, secondly, the implementation across Government of an industrial strategy to nurture and grow the sectors that produce the better-paid jobs we want to see across the country.

**11 Jun 2014 : Column 573**

On low pay, we make no apologies for reminding the House at every opportunity that it was this party, in the face of strong opposition, that introduced the national minimum wage. When we entered office, some people were earning as little as £1 an hour, a practice I am proud to say we outlawed. To give just one of the many examples of the opposition we faced, when we introduced the national minimum wage into this House 17 years ago, a member of the then shadow Cabinet said:

"If, as I and all my Conservative colleagues believe, the DTI's minimum wage comes into effect, it will negatively affect, not hundreds of thousands but millions of people." —[*Official Report*, 4 July 1997; Vol. 297, c. 526.]

That shadow Cabinet member is now the Work and Pensions Secretary. We had the good sense to ignore him.

**Mr Gareth Thomas (Harrow West) (Lab/Co-op):** On low pay, is my hon. Friend aware of allegations that several UK parcel carriers, namely Hermes and Yodel, are using so-called lifestyle couriers and effectively paying less than the minimum wage to the staff they use?

**Mr Umunna:** I thank my hon. Friend for that intervention. I was not aware of that, but I am sure the Business Secretary has heard what he said and will no doubt ensure that his Department looks into those two firms.

We have to build on the national minimum wage. Many Members, for example my hon. Friend the Member for Wansbeck (Ian Lavery), have argued for us to do so. It is currently £6.31 and is due to increase to £6.50 in October, but that is just 53% of median hourly earnings. We want to set—this in part relates to the point raised by the hon. Member for Dover—a more stretching target for the minimum wage for each Parliament, within the Low Pay Commission framework, to increase it faster than average earnings, while retaining capacity to take account of shocks to the economy. We would also give local authorities new powers of inspection and enforcement of the minimum wage, alongside central Government, to ensure it is enforced properly. We would also increase fines for non-payment to £50,000.

A number of measures are contained in the small business, enterprise and employment Bill. We are told, among other things, that the Bill will strengthen UK employment law by tackling national minimum wage abuses. It does not appear, however, that the Government will come close to matching our commitments to strengthen the national minimum wage. There will be no stretching target, no enhanced role for local authorities and much lower fines than we envisage. We will be pushing the Government to adopt our package during the passage of the Bill.

**Caroline Lucas (Brighton, Pavilion) (Green):** I am glad to hear that the hon. Gentleman is talking about moving towards something that might eventually look like a national living wage. He will recall that it was the Greens

on the London Assembly who made the Living Wage Commission a possibility. Will he also consider, as inequality is such a major issue, maximum pay ratios between the highest and lowest paid in companies?

**11 Jun 2014 : Column 574**

**Mr Umunna:** I have to say to the hon. Lady that I thought it was the excellent Mayor of London, Ken Livingstone, who introduced the London living wage.

**Barbara Keeley (Worsley and Eccles South) (Lab):** May we add to our consideration of people who end up not being paid the minimum wage the scandal of workers in the care sector? A constituent told me recently that although she is contracted to work 40 hours, she is lucky if she is paid for 15 to 20 hours. She is not paid travel time, is paid in dribs and drabs, and short-notice cancellations are the norm. In many weeks she has ended up being paid for only 15 to 20 hours, yet these are the people we are trusting to provide care for our most vulnerable people.

**Mr Umunna:** I think my hon. Friend is referring to somebody who is on an outrageous and exploitative zero-hours contract that is not reflective of her working conditions. I will come on to that shortly.

**Christopher Pincher (Tamworth) (Con):** Will the hon. Gentleman give way?

**Mr Umunna:** I will just make a little progress and I will give way in a bit.

As my right hon. Friend the Leader of the Opposition said last week, under this Government the shocking fact is that for the first time on record more people who are in poverty are now in work than ever before. The minimum wage is important. It is set with an eye to the impact on jobs, but we want employers to pay a living wage. Record numbers are currently paid less than the living wage—I have talked about the 22% in Dover, for example. It is estimated that we have 5.2 million people earning less than the living wage, which is costing the Treasury, at the very least, £750 million in tax credits and £370 million in means-tested benefits. We want to do all we can to ensure that anyone who puts in a hard day's work gets a decent reward for doing so. That is why it is disappointing to see nothing, not just in this Queen's Speech but in all four to date, to incentivise employers to pay a living wage.

**Stephen Mosley:** The proposals to increase the national minimum wage are welcome, but they are no use if the Government then increase taxes and take more money out of people's pockets. Will the hon. Gentleman do what his leader failed to do last week and rule out any increases in national insurance contributions if Labour were to win the next election?

**Mr Umunna:** I note that 18.2% of employees in the hon. Gentleman's constituency are paid less than the living wage. I hope he will be encouraging Ministers in his Government to adopt our proposals to incentivise people to pay it, so that he can reduce that percentage in his constituency.

As for the tax and spending policies of any Government in a future Parliament, these will be set out in a Budget at the time. One of the questions that the hon. Gentleman and others will have to answer is whether they envisage making further reductions in the top rate of tax, giving people earning millions of pounds an even bigger tax cut than they have already.

**11 Jun 2014 : Column 575**

**Mr Robin Walker (Worcester) (Con)** *rose—*

**Christopher Pincher** *rose—*

**Mr Umunna:** I thought that would rile them. I am going to get on, because I want to ensure that we get other people into this debate.

If elected next year, we would introduce “make work pay” contracts to encourage employers to pay a living wage and help businesses to raise the wages of millions of low-paid workers. This is fully costed and will be entirely funded from the increased tax and national insurance revenue that the Treasury would receive. Again, I encourage the hon. Member for City of Chester to encourage those on his Front Bench to adopt that proposal. If they do, we will support it. However, the silence we have heard from those on the Government Benches when it comes to doing anything on the living wage is quite extraordinary. People will remember the Prime Minister’s speech to London citizens back in 2010. In the last week of that campaign, he said he would do all these things to promote the payment of the living wage and he has done next to nothing—nothing—in office.

However, wages are one thing; insecurity at work is another, and never in recent times has it been so resonant an issue, as my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) said. I am not at all surprised by that, because since they came to office this Government have mounted a full-frontal attack on people’s rights at work. This is often talked about by Government Members as though it were a trade union issue, but it is an every person issue. Every single person in this country who works has had their rights at work attacked by this Government. They have increased the service requirement to claim for unfair dismissal from one to two years, depriving people of the right to seek justice when they have been wronged in the workplace; they have reduced compensatory awards for unfair dismissal; they have reduced the consultation period for collective redundancy; and they have watered down TUPE protections for people. I could go on. Most starkly, this Government have erected a barrier in the way of those seeking redress with the introduction of tribunal fees.

But perhaps the biggest symbol of insecurity is the extensive use of zero-hours contracts in 2014. The Office for National Statistics estimates that there are 1.4 million zero-hours contracts in use right now.

**Christopher Pincher:** I am obliged to the hon. Gentleman for giving way. Just in case his Front-Bench team want to prompt him with statistics, my constituency is Tamworth.

The hon. Gentleman talked about the importance of having a job instead of no job. Has he had correspondence with Labour-run Liverpool council or Labour-run Newham council, which make extensive use of zero-hours contracts?

**Mr Umunna:** What I have said time and time again in this House when we have debated zero-hours contracts—I will come to this point in a moment—is that the Opposition are not opposed in principle to any use of zero-hours contracts. The question is: what are the Government going to do about their exploitative use? What they have announced so far comes nowhere near close to what we have proposed to deal with the exploitative use of such contracts.

**11 Jun 2014 : Column 576**

Zero-hours contracts do not oblige employers to offer guaranteed hours of work to their workers. Sure, some workers—it is for this reason that we do not oppose zero-hours contracts in principle—choose the arrangement because they like the flexibility, but for many it leaves them subject to the whim and demands of their employer to work at short notice, promoting insecurity. These arrangements make it almost impossible to own a home, save for a pension or plan family life.

**Seema Malhotra (Feltham and Heston) (Lab/Co-op):** My hon. Friend is making a powerful speech and rightly highlights the difference between the use and abuse of zero-hours contracts. We have seen high levels of youth unemployment in this country. Does he agree that the use of zero-hours contracts sometimes hides a problem that exists for young people getting on to the work ladder? A constituent of mine talked to me about the insecurity he feels. He cannot plan ahead and does not even know whether he can accompany his mum to a hospital appointment, because he has no idea what will come his way in the week.

**Mr Umunna:** That is a perfect example of the egregious and exploitative use of such arrangements. We are told that the employment Bill will help hard-working people to have confidence in the terms of their contracts

and that it will crack down on the abuse of zero-hours contracts, such as the example my hon. Friend mentions. However, the details that we know of suggest that the Government are simply not going far enough. On its own, banning exclusivity clauses in such arrangements will not do the job. We need, among other things, to give workers the right to a fixed-hours contract when they have regularly worked hours with the same employer for a period of time—such as the constituent of my hon. Friend the Member for Worsley and Eccles South—and to protect them from having their shifts cancelled at short notice without compensation. Above all, we must ensure that people know that they are on a zero-hours arrangement.

I have talked about jobs, wages and security at work. The other part of reforming the jobs market is the implementation across Government of a proper industrial strategy, both to create the right conditions for businesses to thrive in all regions of the country and to put the full weight of Government behind those sectors that can win gold medals in the global marketplace for the UK, creating more of the middle-income jobs we want to see.

**Charlie Elphicke** *rose*—

**Mr Umunna:** I will just make a bit more progress.

Part of that involves ensuring the right environment across the country in all regions for our businesses to grow, and part of it involves a sector-led approach, looking at where we have a competitive edge and comparative advantage relative to our international competitors. I am very supportive of the sectoral approach. It was of course the Labour Government who led the way in that by setting up the Automotive Council.

When it comes to creating the right environment, ensuring that people have the skills our businesses need is crucial. Increasing the quantity and quality of apprenticeships is a must. We have a record to be proud

**11 Jun 2014 : Column 577**

of. In government, we rescued apprenticeships from the scrap heap. We more than quadrupled starts—

[

*Interruption.*

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Government Members do not want to hear it, but let me give them the facts. We more than quadrupled apprenticeship starts, from a woeful 65,000 under the Major Government to 280,000 in our final year in office.

**John Hemming (Birmingham, Yardley) (LD):** Is it still the Opposition's policy to get rid of the intermediate apprenticeship?

**Mr Umunna:** No, it is not, and I should say that the Deputy Prime Minister's intervention on this subject while standing in for the Prime Minister at PMQs was deeply embarrassing, given that he was attacking an independent report that was produced by a group of experts for us which said exactly the same as his own Secretary of State's report for his Department on the same subject.

**Andrew Gwynne (Denton and Reddish) (Lab):** Does my hon. Friend agree that one of the best ways of increasing the numbers of advanced and higher-level apprenticeships would have been to implement my Apprenticeships and Skills (Public Procurement Contracts) Bill? It would have meant that the billions of pound of investment that we spend as taxpayers in public procurement could lever in extra apprenticeships at the higher and advanced level.

**Mr Umunna:** I am very grateful to my hon. Friend for drawing attention to his excellent Bill, which I and many of my hon. Friends were here to support, but which was disappointingly ignored by the Government.

What is happening to apprenticeships now? This issue, frequently raised here by my hon. Friend the Member for Blackpool South (Mr Marsden) and my right hon. Friend the Member for Birmingham, Hodge Hill (Mr Byrne), is worrying.

**John Hemming:** Will the hon. Gentleman give way?

**Mr Umunna:** No, I want to make some more progress—*[Interruption.]* I have been quite generous in giving way.

Countless other colleagues have talked about opportunities for young people. My hon. Friend the Member for Rotherham (Sarah Champion) has drawn attention to the lack of apprenticeship opportunities for people in her constituency. Under-19 apprenticeship starts have fallen by 17,000 over the last academic year, and there are now 2,000 fewer under-19s starting apprenticeships than in 2009-10, and less than 2% of apprenticeship starts last year were at level 4 or above. Where was the Bill in this Queen's Speech to require all large companies taking on large Government contracts to provide apprenticeships, as we called for? It was not there. Where was the requirement for all apprenticeships to last at least two years and to be at level 3 or above to ensure we maintain their quality? It was not there. We need to see more done on that.

It is important to help those who want to get into work through jobs and training, but it is also important to help those who want to create their own jobs, and

**11 Jun 2014 : Column 578**

they will not be able to do that without the finance. We are told that the small business Bill will make it easier for small businesses to access finance. I really hope so, because in the last year, net lending to small and medium-sized businesses fell by £3.2 billion. Scheme after scheme after scheme—from Project Merlin to funding for lending—has simply failed to resolve these problems. In the last quarter, net lending to businesses by funding for lending participants actually fell by £700 million—an issue on which I know my hon. Friends the Members for Rochdale (Simon Danczuk) and for Feltham and Heston (Seema Malhotra) have been campaigning.

**Mr Gordon Marsden (Blackpool South) (Lab):** Let me inform my hon. Friend that what I hear in my Blackpool surgeries, particularly from small businesses and hoteliers, about the continued failure of a number of banks, including those still supported by this Government, underlines what he is saying. Does that not also underline the fact that we should be looking at the regional initiatives on banks that he and his colleagues have brought forward rather than having the long-standing dithering from the Secretary of State on the whole question of the investment bank?

**Mr Umunna:** I agree with my hon. Friend. The problem with the Government's scheme is that, to date, the main transmission mechanism to our small businesses has been the very high street banks that have been the problem. That is why we want to set up not only a British investment bank, but a network of regional banks like the Sparkassen in Germany, to ensure that we get the money to our small businesses.

Finance is one thing, but cash flow is an issue too. If, as we are told, the Government are to extend the obligation for public sector bodies to pay small businesses as their suppliers within 30 days and to apply it all the way down the supply chain, that would be welcome, but on its own it will not be sufficient. We will press Ministers to introduce—I think this will be in the small business Bill—more stringent reporting requirements for customers of small businesses to crack down on those who do not pay on time. I think that the practice of late payment is an absolute national scandal that needs to be dealt with.

I saw the Business Secretary and the Deputy Prime Minister make their trip to the pub the other week. On the one hand, I suppose this was a “kiss and make up” event after the activities of a certain rogue pollster—

perhaps the Liberal Democrats' equivalent of Lord Ashcroft; and on the other hand, it was to draw attention to the measures in the Queen's Speech on a new statutory code and independent adjudicator to ensure that the sole traders and small businesses that run our 20,000 or so tied pubs are treated fairly. To be honest, after the dither and delay we have seen from this Government and the numerous debates we have had to force on the issue, any action from this Government is welcome, but my fear is that the real reforms that we and others across the House have campaigned for will be watered down. We will scrutinise the detail when the provisions are introduced.

I want to say a word about rebalancing, particularly between regions and within regions. It has simply not happened, and I see nothing in this Queen's Speech to change that.

**11 Jun 2014 : Column 579**

**Roberta Blackman-Woods (City of Durham) (Lab):** My hon. Friend is making a really strong point about the need to get additional help to the regions. Does he agree that it is unacceptable that start-up businesses in Durham have reduced by 14% over the last year? It is clear that the Government's policies are not addressing the issues facing the north-east.

**Mr Umunna:** This is an important issue. Since the recovery kicked in, we have seen around 54% of GDP growth coming in London and the south-east, and around 75% of new jobs created in the same region. It is essential that we see more of that happening in my hon. Friend's constituency and others around the country.

Let us be honest about it, the Government's flagship scheme that was supposed to address this problem—the regional growth fund—has become a bit of a joke. More than a third of winning bidders under that scheme's first round have now withdrawn entirely, while others have been left waiting almost two years to receive their money. Hundreds of millions of pounds of growth fund moneys across the regions are gathering dust in Government coffers and have not yet reached the winning bidders.

Of course, having scrapped our regional development agencies, which I am sure the Business Secretary privately feels was a big mistake, the Government replaced them with local enterprise partnerships, which have simply not been given appropriate budgets or powers to do what was asked of them. In fact, the vast majority of bids made by LEPs to the regional growth fund have been rejected in some regions. Many colleagues across the House—my hon. Friend the Member for Telford (David Wright) has spoken of his area's desire for a city deal—will tell us, as my hon. Friend the Member for City of Durham (Roberta Blackman-Woods) has just done, that a lot more needs to be done to rebalance our economy geographically.

On sectors, the Business Secretary's predecessor, the noble Lord Mandelson, started pursuing a course of industrial activism, which, in the main, the Business Secretary has continued in his overall approach. There is a degree of consensus on the principles—that is a good thing—and industrial strategy is part of agenda 2030, our plan for better balanced sustainable growth, which is winning support from businesses across the country. But unless we get the overall environment right—on skills and finance, as I have discussed—across the whole country, delivery on these sectoral strategies will be compromised.

Let me finish by saying a few words about our export position. The Government promised an export-led recovery in their plan for growth. That has simply not materialised, and the measures that the Business Secretary and the Chancellor have introduced to date seem to have made no impact on that. In fact, the Office for Budget Responsibility said that the Budget would have no impact on our net trade position.

The promise to increase exports to £1 trillion by 2020 is disappearing out of reach. It has been reported that civil servants have privately conceded that the Government's promise to get 100,000 new companies exporting by the end of the decade is "not going to happen". This is hardly surprising when the Government have not done enough to ensure that small firms are made aware of the support that is out there. Half the members of the Federation of Small Businesses do not even know that

**11 Jun 2014 : Column 580**

UK Trade & Investment exists. They need to be given much more information and to be made more aware of what help is available. But then the performance of some of these schemes has been totally lamentable. The £5 billion export refinancing scheme, which was launched in July 2012 as part of the Government's UK Guarantees scheme, and the £1.5 billion direct lending scheme, launched to great fanfare several months ago, have not helped a single firm. We need to see much more competent delivery of these schemes.

It is clear that our country has huge potential, and there is a huge amount of talent waiting to be unlocked, but people need a Government to empower them to realise their dreams and aspirations. That is not happening under this Government. *[Interruption.]* The hon. Member for Worcester (Mr Walker) talks about the long-term economic plan. The fact is that for many people—including people in my constituency, where, on average, people are earning £2,300 a year less than they were when the Government came to office—this “long-term economic plan” is a long-term economic sham. That is why we aim to ensure that we can allow and empower people to meet their aspirations by making certain that, this time next year, we are sitting on the other side of the House.

**2.20 pm**

**The Secretary of State for Business, Innovation and Skills (Vince Cable):** It is a pleasure to respond to the Opposition amendment, and to introduce a debate on the general topic of jobs and the world of work on what is a very good day for jobs. I was struck by the fact that, in something over half an hour, the shadow Secretary of State—the hon. Member for Streatham (Mr Umunna)—did not make even a passing reference to today's unemployment figures.

I shall take a three-pronged approach to this debate. I shall deal first with the creation of jobs. Job creation depends on enterprise and business, and a key element of the Queen's Speech is support for business through the small business Bill, which covers issues such as access to finance, Government procurement, prompt payment and, of course, pubs.

Secondly, I shall make it clear that as our economy recovers—and the recovery is now very firmly embedded—we want to ensure that that recovery is translated into higher-paid jobs and more secure employment. The small business Bill contains measures relating to zero-hours contracts and the minimum wage. It will also ensure that people have decent pensions when they retire, which is another thing that the shadow Secretary of State did not mention. Over a long period, for demographic and economic reasons and as a result of policy failures, there has been a gradual decline in the defined-benefit system, but my right hon. Friend the Secretary of State for Work and Pensions and my hon. Friend the Member for Thornbury and Yate (Steve Webb), the Pensions Minister, are reconstructing a sensible, durable environment for pensioners.

Thirdly, I shall talk about the issue of trust in business. One of the blows to our economy, and many other western economies, during the financial crisis has been a loss of trust. The Bill contains a series of measures—to which the shadow Secretary of State did not refer—relating to transparency of ownership and the duty of directors, which will be important to the reconstruction of that trust.

**11 Jun 2014 : Column 581**

Let me begin, however, by commenting on the Opposition amendment. I try to be polite, but the amendment is not exactly bulging with creative policy initiatives. It contains only one recommendation, which relates to a

“target to raise the National Minimum Wage faster than average earnings”.

The shadow Secretary of State seems to be telling me to do what I am already doing, which is giving guidance to the Low Pay Commission so that it can do exactly that; but I am not entirely sure what the Opposition's policy is. Is the target to be mandated? If so, that undermines the autonomy of the Low Pay Commission. If not, what the shadow Secretary of State recommends is exactly what we are doing at present, which is giving forward guidance.

I should like to clarify another point. Two or three weeks ago, the Opposition had another policy on the national minimum wage, namely that it should be indexed to earnings. There is no reference to that in the amendment. Is it still the Opposition's policy? I suspect that, when they did the sums, they discovered that indexing the minimum wage in that way would make it lower than it is now, and quietly dropped it, but may I ask what is the current status of the proposal?

In the amendment, the shadow Secretary of State sensibly acknowledges that the Low Pay Commission must "take account of shocks to the economy."

However, he does not mention whether the commission should take account of the impact on employment. That has been at the heart of its work. If it is indeed to take account of the impact on employment, why—as my hon. Friend the Member for City of Chester (Stephen Mosley) asked earlier—are the shadow Secretary of State and his colleagues now promoting the idea of higher taxes on employers through national insurance? If this is to be the major theme of the Opposition's attack on the Queen's Speech, their approach will require a great deal more clarity and a great deal more consistency.

Let me now say something about today's figures, because they are important, even if the shadow Secretary of State did not think it worth his while to talk about them.

**Sheila Gilmore (Edinburgh East) (Lab):** Will the Secretary of State give way?

**Vince Cable:** May I finish this point first? As the hon. Lady knows, I am happy to take interventions.

In the last quarter, 340,000 new jobs have been created; 780,000 have been created in the last year, and 2 million have been created since the Government came to office. The level of unemployment is now 6.6%, and is one of the lowest in the developed world. We are approaching German levels, and our figure is significantly better than those in almost all the other European countries. We have 600,000 job vacancies, and if the shadow Secretary of State goes around the country talking to businesses, as I do, he will know that the talk is increasingly of job shortages rather than unemployment. In many key categories—those aged 65 and over, women, disabled people, and lone parents—we have more people are in work than before the recession began. Of course there

**11 Jun 2014 : Column 582**

are serious unemployment problems among young people—we acknowledge that—but youth unemployment is 100,000 down over the year, while long-term unemployment is down by 108,000.

**Sheila Gilmore:** Does the Secretary of State share my concern about the growing gap between the unemployment figures and the claimant count? More than 2 million people are still unemployed. It is clear that many of those people are not receiving benefits of any kind, and they seem to have disappeared from the statistics. Is the Secretary of State, perhaps in partnership with his colleagues, trying to find out why that is and what we can do to help those people?

**Vince Cable:** I have been quoting the figures from the International Labour Organisation, which provides the international accepted definition, and they include the people whom the hon. Lady has described. Of course, many people are self-employed, and many of those are potential entrepreneurs. I am sure that she would not want to diminish their contribution.

Opposition Members often say "The job figures are fine as far as they go, but are those jobs full time?" As a result of the strengthening of the labour market within the last year, three quarters of all new jobs have been full-time. Moreover, some interesting information has emerged during the last few weeks. People who are doing part-time work, which is often criticised, have been questioned to establish how many of them wish to do full-time work. The current figure is about 20%, and it is useful to compare that with the figures for the European Union as a whole, for France and for southern Europe, which are 30%, 40% and 60% respectively.

The underlying trends in the labour market—not just the top-line figures—are significantly healthier in this country than they are in almost every other part of the European Union.

**Fiona O'Donnell (East Lothian) (Lab):** The Secretary of State has not yet mentioned young unemployed people. I know that he is always keen to look for ways in which the Liberal Democrats are making a difference in government. Will he tell us about his leader's youth contract, which, it was claimed, would help 160,000 young people into work by incentivising employers? How many young people have benefited so far?

**Vince Cable:** The fact that youth unemployment has fallen by 100,000 in the last year is significantly owing to the youth contract, as is the advance in apprenticeships—and the shadow Secretary of State's comments on apprenticeships were an absolute travesty. We know that there has been a big increase in terms of both quantity and quality, and, of course, the support given to employers so that they can take on young people has been an important and extremely positive element of the youth contract.

**Mr Steve Reed (Croydon North) (Lab):** One of the problems is that all too often under this Government work simply does not pay enough. Does the Secretary of State accept any responsibility for the fact that since the Government came to power, the number of working people claiming housing benefit in Croydon has increased by 1,100%?

**11 Jun 2014 : Column 583**

**Vince Cable:** Quite a lot of those people have moved from unemployment to work, which explains the change in the definition. However, we want to ensure that people are in work and are properly paid in work, rather than being dependent on benefits.

**Rushanara Ali (Bethnal Green and Bow) (Lab):** What are the Government doing to deal with the fact that people under 25 are four times more likely to be unemployed than those over 25? He has talked about youth unemployment, but that group really is not benefiting from any of the Government's policies.

**Vince Cable:** The hon. Lady makes a valid point. I know that in her constituency there is a particular problem with graduate unemployment, which we have discussed. Youth unemployment is a long-standing problem. It was very substantial even before we got into this major recession and financial crisis. We need to deal with it in a variety of ways: job training, apprenticeships and by providing a better-working market.

**Mark Pawsey (Rugby) (Con):** I ran a business before coming into this place and the Secretary of State will know that what businesses need is confidence that they will be rewarded for making the right decisions. That will encourage businesses to take on more people and deal with many of the issues raised by the Labour party. This Government have given businesses confidence and that is why we are seeing significant reductions in unemployment.

**Vince Cable:** That is why I started my speech by saying that the most important thing we are doing is encouraging small businesses to grow. That is where the jobs come from. That is what I am keen to get to, but as the Opposition amendment was couched solely in terms of the second element of the Bill, that is what I am now trying to address.

**Several hon. Members** *rose*—

**Vince Cable:** I will take two more interventions and then move on.

**Charlie Elphicke:** Does my right hon. Friend agree that the Opposition's stance, which is to pick out any poor statistic or position, highlights that they are completely in denial about the recovery's strength? It exposes their lack of any vision to secure economic growth for this country.

**Vince Cable:** I was going to go on shortly to what is underpinning labour market growth, which is strong and balanced economic growth. I will come back to that.

**Gordon Birtwistle (Burnley) (LD):** Is the Secretary of State as disappointed as I am by the constant deriding of manufacturing and the growth in the economy by the shadow Secretary of State, who, every time he gets up, runs the economy down? Is that the right way to give confidence to businesses to drag us out of the recession that Labour left behind?

**Several hon. Members** *rose—*

**11 Jun 2014 : Column 584**

**Vince Cable:** I will take more interventions later, if hon. Members will let me make a little progress. That intervention prompts me to remind the House where we are with the economy. We are the strongest growing of the major G7 countries. Major forecasts by the IMF and the OECD suggest that this year growth will be between 2.7% and 3.5%, which is quite exceptional in current circumstances, with the trend continuing in 2015.

What is more important is the fact that that has been achieved in a balanced way. In the last three quarters, manufacturing has been growing faster than the economy as a whole. Business investment, which was seriously depressed through the recession, is now experiencing double-digit growth on an annualised basis. I was taken aback when the hon. Member for Streatham started to tell me about the industrial strategy. I was in the House for the 13 years of the last Labour Government. Throughout that period, any suggestion that we have the kind of industrial strategy that we are now leading was regarded with utter ridicule by—

**Mr Umunna:** Will the Secretary of State give way?

**Vince Cable:** I will in a moment. The hon. Gentleman has reminded us of some genuinely useful things that were left by my predecessor, including the Automotive Council. Of course no money or long-term investment was attached. We are now doing work with the high-value manufacturing sector through the Catapult centres. There has been a billion-pound co-investment in new automotive propulsion systems. That did not exist. However, some things left by my predecessor were useful. They were small, but they did contribute to what is now a valued industrial strategy supported on both sides of industry. I am glad that the Opposition have bought into it, albeit rather belatedly.

**Mr Umunna:** I am sorry, but that is rather ridiculous coming from a BIS Secretary who in opposition argued for the abolition of his own Department. Now he is trying to pose as a great industrial activist.

**Vince Cable:** My Department is now very different. It now includes universities, science and many other things. In one period during the last Labour Government—the hon. Gentleman may remember it; I think that the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson) was the Minister who started the change—there were about 186 different systems of industrial support, the cumulative effect of which was largely negative because we had large-scale deindustrialisation. We are pursuing the strategy in a much more concerted way, in partnership with business and on a long-term basis. That is what we are achieving.

**Sammy Wilson (East Antrim) (DUP):** The right hon. Gentleman talks about how the policy is seeking to grow the economy in a balanced way, but does he accept that many regions of the UK are not growing at the same rate as the south-east of England, for example? Places such as Northern Ireland are suffering from that. Why in the Queen's Speech is there no reference, for example, to the devolution of corporation tax to the Northern Ireland Executive, which would help them to grow the economy in Northern Ireland by more than is happening at present?

**11 Jun 2014 : Column 585**

**Vince Cable:** I accept the point that there are regional differences in the pace at which the recovery is happening. As it happens, of the four nations in the UK, Scotland and Wales are growing more rapidly than the UK average. However, Northern Ireland is not. I know that there is a debate about corporation tax. I do not think that is the central issue. The problem in Northern Ireland, as the hon. Gentleman well knows, is that two

major banks are bad banks and are seriously contracting lending to small business. I am trying to work with the Northern Ireland authorities to assist with that.

**Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab):** The right hon. Gentleman has not so far given the figures on zero-hours contracts. He will know that the Office for National Statistics has said that 1.4 million people are on those contracts, but the Government say that only 250,000 are. What is the reason for the difference?

**Vince Cable:** I was going to talk about zero-hours contracts later, but since the right hon. Gentleman has asked me the question, I will try to explain. There are very different estimates of zero-hours contracts. The ONS gives very different figures from other surveys. They range from roughly 2% to 4% of all jobs. It is worth mentioning this in passing. The shadow Secretary of State has been quite modest about his own contribution. He has been in correspondence with the statistical authority, which rebuked him for being misleading in terms of the trend in zero-hours contracts. It is a significant problem, and in a few moments, I will come to how we want to address it.

Let me move on to the underlying question in relation to zero-hours contracts and to what the Opposition are trying to say about living standards. What has always surprised me in these debates is that people are surprised that living standards fell in the wake of the financial crisis. Let me rehearse some basic facts. In the 2008-09 crisis, the British economy contracted by over 7%—more than any other major economy. It was the worst shock to our country—worse than in the 1930s. It was only after the first world war that we had a comparable hit to our economy. It was an enormous disruption, with massive implications for people's jobs and living standards. It did happen under the last Government. It was not entirely their mistake, but it was on their watch and they had a substantial responsibility for it.

That contraction of output inevitably translated into people's living standards, and median wages in real terms contracted by about 7% as a result of the crisis. That has been the impact on living standards. It is clear. What is different from previous recessions is that the people at the bottom end of the scale have been protected by two things: first, the minimum wage—there is cross-party consensus on that, which I welcome—and, secondly, tax policies that led us to lift large numbers of low earners out of tax altogether.

Let us look at what the combination of those factors has meant and the work of the Institute for Fiscal Studies. It makes the point that the contraction in real take-home pay for people in the bottom 10% was 2.5%. For the people in the middle, it was 6% and for the people in the top 10%, it was 8.7%. That was an essentially progressive response to a major economic crisis. Of course there are still major inequalities of income and wealth. We acknowledge that, but that relates to the top 1%, rather than the top 10%.

#### **11 Jun 2014 : Column 586**

How do we strengthen the minimum wage system, which my colleagues and I fully buy into? We decided earlier this year to increase the minimum wage faster than inflation—a 3% increase, the biggest cash increase since before the recession. The Low Pay Commission has issued guidance to secure improvements to the real minimum wage. We accept that one of the main challenges—which the last Government did absolutely nothing about—was enforcement. We inherited a system in which the maximum fine per company was £5,000. Under this legislation, we will strengthen it to £20,000 per worker—a big step up in taking seriously sanctions in respect of the minimum wage. We now have a naming and shaming regime in place, and 30 companies have been named since it was initiated a few months ago, and as a result of much more active intervention by Her Majesty's Revenue and Customs, we have increased by a factor of 38% the amount of arrears identified and paid to employees. All the things that the shadow Secretary of State is calling for are now being done.

Let me address the specific issue of zero-hours contracts. It is a problem, but let us get it into perspective. Although there are wide variations in the estimated number of zero-hours contracts, we are talking probably about between 2% and 4% of jobs. Of course we do not want people in that type of employment to be disadvantaged, but many take up such employment voluntarily, and particularly for students and older

workers, it is an attractive system. For some, however, it is exploitative and as a result of our consultation—one of the biggest that the Government have undertaken, with over 36,000 people responding—it was very clear that there were some points on which action needed to be taken, and we are going to take action on exclusivity.

**Geraint Davies:** Does the Secretary of State accept in principle that if the Government converted a £20,000 a year job into two £10,000 a year jobs, with the higher tax threshold, he would be moving from tax payment to zero tax payment, and that this inflexibility and zero-hours and part-time work are contributing massively towards the increasing debt we face under his Government?

**Vince Cable:** That is attributing a slightly sinister train of argument to employers, which is not the case. There are many industries that have flexible working arrangements—and zero-hours contracts are only one form of flexible working—which the work force accept. The shadow Secretary of State talked proudly about his membership of Unite. I engage with the car trade unions, which accept that zero-hours contracts have quite an important part to play in the flexible working in the automobile industry.

**Paul Farrelly (Newcastle-under-Lyme) (Lab):** In the Government's response to the debate that we held on zero-hours contracts last October, the Minister of State, Department for Business, Innovation and Skills, the right hon. Member for Sevenoaks (Michael Fallon), said that it was perfectly reasonable for Opposition Members to ask whether the consultation would also address problems with short-time working and agency working. What conclusions did the consultation come to on those aspects of employment practice?

**Vince Cable:** I am not sure precisely what the hon. Gentleman is driving at. As he knows, there is an agency workers directive, which we have transposed

**11 Jun 2014 : Column 587**

into British law. It is not terribly popular with many parts of business, but it was agreed between employers and employees. I am not sure what else he is referring to.

**Barbara Keeley:** I want to refer back to the points made about the quality of jobs and whether jobs are full time or part time, and how people feel about that. Will the Secretary of State comment on a recruitment exercise that an agency has just done in my constituency for jobs in a warehouse that start at 3 in the morning, when there is no public transport? A very large number of people were put through a week-long recruitment exercise for that, and only a very small number were offered jobs. They were offered four hours of work a day, starting at 3 or 4 in the morning at a warehouse. People were mandated to attend that training. This is the kind of thing that is happening. Does the Secretary of State think that my constituents want to be offered jobs picking in a warehouse at 3 in the morning when there is no transport and where, instead of offering full-time jobs to fewer people, a larger number of people are being offered four or five hours of work a day? How can people live with that kind of casualisation?

**Vince Cable:** Obviously, I do not know all the details of that case, but it seems a very bad one. It is not clear to me whether it is to do with the employer or the way that the benefits system has impacted on people, but if the hon. Lady writes to me, we will get it investigated.

**Charlie Elphicke:** I am a passionate believer in reform of zero-hours contracts, but does the Secretary of State agree that Opposition Members' comments sit ill with the White Paper that the Labour Government issued that said that Labour

“wishes to retain the flexibility these contracts offer business”?

They then proceeded to do nothing about it for the rest of their time in office.

**Vince Cable:** I thank the hon. Gentleman for reminding us of that. Two of my Labour predecessors investigated this problem and neither of them felt there was sufficient cause to change the legislation.

**Ian Paisley (North Antrim) (DUP):** The figures show that 580 more people are employed in my constituency now than this time last year, which is positive news for the area. However, what conversations is the Secretary of State having with the devolved Administrations to ensure unemployment continues to be tackled, especially for low-wage earners?

**Vince Cable:** Although the situation is improving in Northern Ireland, there are significant unemployment black spots. I want to work with the Northern Ireland devolved authorities to make sure that we deal with them systematically. As the hon. Gentleman knows, this is a long-standing problem in Northern Ireland that goes back long before the recession.

**Mr Gareth Thomas (Harrow West) (Lab/Co-op):** I raised previously allegations concerning a number of UK parcel carriers and minimum wage enforcement. Will the Secretary of State undertake to look at whether the minimum wage is being properly enforced by UK parcel carriers? Apart from the justice issues for the

**11 Jun 2014 : Column 588**

individuals concerned, there is the potential to affect the sustainability of the universal service obligation that Royal Mail is under.

**Vince Cable:** Certainly, if there is abuse of the minimum wage, we will want to know about it and we will investigate it. Liberalisation and the opening of the market was mandated by the European Commission some years ago, and it was implemented by the last Government, and we are now seeing the consequences in terms of pay and conditions.

**Fiona O'Donnell:** Will the Secretary of State remind me—and the Secretary of State for Work and Pensions, while he is sitting at his side—if he still believes that any of my constituents on jobseeker's allowance who turn down a zero-hours contract job offer should then be subject to sanctions?

**Vince Cable:** The same sanctions apply to all forms of employment.

**Richard Graham (Gloucester) (Con):** My right hon. Friend has taken several questions on zero-hours contracts, but may I ask him a slightly different question? One of the most interesting statistics that has come out today is from the south-west Manufacturing Advisory Service, which serves as a leading indicator: 49% of all small and medium-sized enterprises manufacturing in the south-west have said they expect to employ more people over the next six months. Does my right hon. Friend agree that when we look at the forward leading indicators—whether for zero-hours or full-time employment in a great industry like aerospace in the corridor between Bristol and Cheltenham or other manufacturing industries around my constituency of Gloucester—we see there are huge indications of really positive jobs growth in really good growth industries?

**Vince Cable:** Yes, there are, and that is a very good example. We had an earlier exchange on the aerospace industry. One of the major accomplishments of the industrial strategy is that we now have a partnership stretching between Parliaments, guaranteeing large-scale investment by the Government as well by industry, and that is one of the factors contributing to the confidence that my hon. Friend described.

In my concluding remarks, I want to refer to the specific measures introduced in the small business Bill, which will support small business. Let me say at the outset that I fully accept the shadow Secretary of State's point that one of the central issues affecting small business is access to bank credit. It remains a very big issue, and it is not difficult to understand why. We had the biggest banking crisis in our history going all the way back to the beginning of the 19th century. We have never had anything on this scale, and Britain was uniquely affected because of the scale of banks in the UK relative to GDP—it is higher, I think, than in any other country except Iceland—and, again, the Labour Government had responsibility at the time. The effect of the bank collapse and the subsequent deleveraging that has taken place, particularly in RBS, have been deeply damaging to business. We understand that and are taking steps to deal with it.

**11 Jun 2014 : Column 589**

The British Business bank is now playing a significant part. Over the past year, I think there have been net flows of £660 million into the small business sector. That is a mixture of new flows to organisations such as Funding Circle and to the challenger banks, together with the guarantee schemes, which have increased by a factor of 75% since they came under the Business bank.

We are running up a downward-moving escalator, but the Government accept that we have a responsibility to intervene heavily to support like lending in the wake of an extremely damaging banking crisis. That is the context in which we are operating. The Bill will contain a series of measures that will help further. Late payment is a massive issue for small businesses, with something in the order of £30 billion in outstanding payments. The legislation will introduce a requirement on companies to be much more transparent in how they deal with late payments.

We also want to introduce much more competition in banking, to ensure that banks will come forward and lend to small businesses. Within the last year, we have seen the creation of a whole set of new banks, supported by the Business bank. The big obstacle—which I recall describing in the House 15 years ago at the time of the Cruickshank report—is the fact that the four leading banks had a stranglehold over the process through the payments system. We have introduced a new form of regulation of the payments system, opening it up to competition and preventing the kind of stranglehold that the existing banks have. The Bill will enable that to happen. In addition, we want to ensure that we have a proper system of data sharing. The lack of such a system is one of the obstacles to new banks coming in and competing. There are also problems with export finance, but the new Bill will enable us to extend export finance into new areas.

The shadow Secretary of State talked about the small business measures having taken a long time, and we accept that. There has been a massive consultation on pubs, for example. It has gone on for many years—indeed, it started long before this Government came into office—but we are now taking action. There will be a statutory code and an arbitration body. There will also be an option for an independent, market-based rent review. I am sure that we will discuss this legislation extensively, but it does represent action after many years of pressure from the Select Committee and from other Members.

Other business measures will include those relating to public procurement. This Government have opened up public procurement in central Government to small business in a way that has never happened before, but that has not always happened throughout the wider public sector, including local government. The measures that we are introducing in this big Bill will considerably improve practice in public procurement, opening up the rest of the public sector.

**Mr John Spellar (Warley) (Lab):** The Secretary of State might have had representations from local opticians who had previously provided a service to the Driver and Vehicle Licensing Agency. All their contracts have been taken away from them, bundled up and handed to one big national company, Specsavers. Does not that show that, although the rhetoric might be fine, many Departments are still letting the system down?

**11 Jun 2014 : Column 590**

**Vince Cable:** When the right hon. Gentleman looks at the figures, I think that he will find that there has been a substantial increase in the share of small businesses in central Government procurement. I am not a customer of Specsavers, but I will happily investigate the case that he raises.

The criticism from the Opposition and certain outside commentators has been that the legislative programme is light, and that there will not be a great deal for the House to do. In relation to the small business, enterprise and employment Bill, I would simply say be careful what you wish for. It will be one of the major pieces of legislation, and it will get to grips with many detailed, complex issues. It will make a significant difference. We are introducing it against the background of a real, balanced recovery that is having a major effect on employment, and it will reflect the substantial achievements of this Government.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. It will be obvious to the House that a large number of people wish to speak in the debate and that there is limited time. I should also point out that the Front-Bench speeches have taken well over an hour, so if Members wish to remonstrate about the shortness of time, they should address their remonstrations not to the Chair, but to those on the Front Benches. I have to impose a time limit of six minutes on Back-Bench speeches.

**2.54 pm**

**Mr Adrian Bailey (West Bromwich West) (Lab/Co-op):** In view of the shortness of time, I shall confine my remarks to two aspects of the Queen's Speech. The first relates to the commitment to increase the number of apprenticeship places to 2 million, and the second relates to pub companies. Both issues have attracted considerable interest from the Business, Innovation and Skills Committee, as the Secretary of State has acknowledged.

I welcome the commitment to having 2 million apprenticeship places, but if the Government are to avoid the accusation that they are not matching their rhetoric with detailed policies to deliver those places, we shall need more information on this proposal and on the changes to other policies that will be necessary. In regard to the Government's phraseology, I must point out that "apprenticeship places" are not necessarily the same as apprenticeship placements. If we look at the records for the past full year, we can see that the number of apprenticeship placements that were actually taken up fell to 510,000. Raising the total number of apprentices to 2 million will therefore require a considerable change in policy. Perhaps more seriously, there has been a drop in the number of apprentices taking placements in the key sectors at which the Government are aiming this policy—namely, construction and manufacturing. If we are to have a skills programme based on apprentices that is designed to address the acute skills shortage—which will be strategically important in delivering economic growth—we will need a far more comprehensive list of policy proposals.

**Damian Collins (Folkestone and Hythe) (Con):** Will the hon. Gentleman give way?

**11 Jun 2014 : Column 591**

**Mr Bailey:** I am sorry; I will not give way owing to the shortness of time.

A factor in getting more people to take up apprenticeships in key areas is the culture that exists in schools. We need better careers advice, as the City and Guilds Group pointed out following the Queen's Speech. It commented on the lamentable level of careers advice in schools, which was ensuring that awareness of apprenticeships in key areas remained low compared with the awareness—and, indeed, promotion—of more academic qualifications for young people. I cannot go into greater detail at the moment, but we need a change in the culture in our schools if we are to deliver a pipeline of young people into apprenticeship places in order to deliver on a forward-looking economic agenda for the Government. If we were to revert to a numbers-driven target for apprenticeship places, there would be a real danger of boosting numbers without taking into account quality or relevance. That would simply reinforce the negative perception of apprenticeships, creating a further barrier to recruitment.

My other point relates to pub companies. The Secretary of State has rightly recognised the work of the Select Committee on this issue, and I pay tribute to him for reversing the position of the previous Minister responsible for pub companies, who was prepared to commit only to a voluntary approach. The Secretary of State has recognised that the industry has dragged its feet and been obstructive, and he is now introducing legislation.

The proposals for a statutory code and an independent regulator are welcome, although we shall no doubt want to debate them in greater detail later. However, the failure to commit to introducing a mandatory free-of-tie option will leave publicans feeling let down and disillusioned. It was ironic that when the Secretary of State and the Deputy Prime Minister held their meeting in a pub, we were not quite sure whether a pub company owned that pub. They will have had to be quite selective about the pub they visited in order to get the welcome that they wanted.

The fact is that the overwhelming number of tenants support a free-of-tie option and a mandatory rent review. According to the Government's consultation, 92% of tenants saw the beer tie as their biggest challenge. My conversations with tenants on this issue and the proposals in the Government response indicate that one of the key problems is the deep suspicion of the rent revaluations based on Royal Institution of Chartered Surveyors guidelines; their experience has not given them any confidence that this will significantly address issues that have been so long debated.

I welcome the Secretary of State's commitment to review things after two years. Although I am not in a position to bind the future Select Committee, I strongly recommend that it carry out further inquiries in this area, with a view to raising the issue again with future Governments.

**3 pm**

**Dame Angela Watkinson (Hornchurch and Upminster) (Con):** I welcome the opportunity to make a brief contribution to this debate on the Gracious Speech. I shall concentrate my remarks on small businesses, growth and jobs, but first I shall comment briefly on the inclusion

**11 Jun 2014 : Column 592**

in the Serious Crime Bill of the recognition of the emotional and psychological neglect of children as an offence.

The wilful withholding of emotional warmth and support is damaging to psychological well-being and to mental health, and can lead to negative long-term outcomes for young people, an absence of self-worth, risky behaviour, poor academic achievement and offending. I hope that during the Bill's passage consideration might be given to extending legislative protection to children up to the age of 18 who have experienced emotional deprivation in this type of upbringing, have never received approval, praise or encouragement, and would find sustaining independent adult life without succumbing to its many pitfalls extremely challenging.

I welcome the measures in the small business, enterprise and employment Bill, which will build on the fall in unemployment both nationally and in Hornchurch and Upminster. Since 2001, my constituency had been stuck with an unemployment rate of about 3.5%, but this year the claimant rate has dropped to 2.8%. That is not just a statistic; it means that many individuals who have been released from benefit dependency have gained not just an earned income but self-esteem and the satisfaction of independence. This Government's welfare reforms have all contributed to the fall in unemployment, especially for people who have been out of work long term. The £2,000 off employers' national insurance bills, the doubling of small business rate relief until April 2015, the increased number of apprenticeships and the new private sector jobs, particularly in retail and construction—up 9% and 19% respectively in Hornchurch and Upminster—have all contributed to the fall in unemployment.

I pay tribute to the schools and colleges in my constituency, and to the value they place on fiscal education, the preparation they give for adult life in their citizenship classes, and the development of life skills, which inspire ambition and aspiration in their pupils to achieve their maximum potential through further education, apprenticeship or employment. That is particularly important for pupils who come from workless households, where these examples of opportunities for a successful future may not be considered. Those pupils need to know that the professions, public service and starting up a business are all open to them, and are not just for other people.

Ford, as a large employer in a neighbouring constituency, is also playing an important role by supporting the women in engineering compact, which was launched on 7 May. Ford has traditionally provided jobs for my constituents and is now influencing the future career paths of female students by demonstrating the attractiveness of technical careers to women by visiting schools and colleges to talk about the opportunities in STEM—science, technology, engineering and maths—careers.

Small businesses are the foundation of the local economy in my constituency. The majority—86%—have an annual turnover of less than £250,000; 10% have a turnover of between £250,000 and £1 million; and only 4% have a turnover of between £1 million and £5 million. These figures represent an increase of 11% in the first quarter of 2014 over the same quarter in 2013, which explains the increase in local job availability. Many people commute daily to London to work using c2c or the District line, but the many local small businesses provide jobs for local people who prefer to work locally.

**11 Jun 2014 : Column 593**

I know they will welcome the establishment of a deregulation target and the introduction of a new appeals champion to protect business against the impact of costly and burdensome regulation. They will also welcome the new measures to tackle late payment by larger firms, which causes serious cash flow problems in a small business. In addition, the streamlining of access to the public procurement market for small businesses will widen opportunities for the growth that enables those businesses to create more jobs and help unemployed people back into work.

The London chamber of commerce and industry has welcomed this Bill but has raised concern about inadequate skills availability, reporting that 45% of London businesses had difficulty recruiting suitably qualified staff to fill vacancies, and that despite stubbornly high youth unemployment there remains a significant skills gap in a number of sectors. Employers recognise that younger people can be a great asset to their business, but developing their skills can be a costly investment. There is an opportunity for closer collaboration between colleges, training and apprenticeship providers, employers and government to pool their knowledge and experience to ensure that young people are acquiring the right skills to make them employable. Both the London chamber of commerce and industry and the Federation of Small Businesses welcome this Bill, and so do I—I wish it a speedy passage through Parliament.

**3.6 pm**

**Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab):** In March 2014, the Chancellor of the Exchequer said that

“while unemployment has come down, there are still over 2 million looking for a job. It will take time to fix that. But we will not rest while we still have so much wasted potential in some parts of our country.”

I could not agree more, but in the fifth year of this Government I would offer an alternative recipe to the one that has so far been provided.

The fact is that there is greater insecurity in the workplace, not as a consequence of the Government’s economy strategy but because it is at the heart of that strategy. As we have heard today, competition on low wages and low-skilled jobs will not lead individuals or families out of impoverishment. People face the insecurity of zero-hours contracts, which we have rightly discussed, with the Office for National Statistics estimating that 1.4 million are involved. It is shameful that nobody can say with any certainty the precise number of people who are forced to work on these contracts. I welcome the Secretary of State’s saying in response to my intervention that this is “a significant problem”—it is indeed, and I hope he will accept that now is the time to lift the lid on what is going on, to remove the veil of secrecy and to provide some transparency so that we can be told exactly what is going on.

Earlier this year, I asked the Chancellor a question about unemployment in my constituency, but his reply skated over the reality. Setting aside part-time, zero-hours and low-paid jobs, I will tell the House the reality. Since the global crisis, the unemployment figures for my constituency have rocketed from 2,800 in 2008 to 5,300 in 2014—that is a staggering increase of 89.3%. What

**11 Jun 2014 : Column 594**

about the future? Youth unemployment has increased by 53.5% in the same period. And all this has happened as the rich have become wealthier while under this Government millions of people—many of them in my constituency—have barely had an increase in pay.

Is it any wonder that these policies are leading to extremes? “Get us out of Britain,” says the Scottish Nationalist party in Scotland. “Get us out of Europe,” screams the United Kingdom Independence party. “Let’s become inward-looking and introspective in response to global challenges”, it says, while 3.1 million jobs are at risk over Europe. The media would have us believe that in the recent European elections, people voted principally against Europe and against immigration. Neither I nor the polls agree. As Nye Bevan once said:

“Such a naive belief in the rational conduct of human beings would wipe out the whole of modern psychology.”

Is it any wonder that, out of frustration, people looking for jobs can be duped or beguiled into believing the propaganda from both UKIP and the SNP? They are responding to their own experiences of declining standards of living and austerity. Therein lies my deepest worry, which is reflected in what is going on in France. I am talking about the challenge to freedom itself.

As we emerged from the second world war, we had to deal with greater economic challenges and a far bigger deficit problem than we have now. Sir William Beveridge in his book “Full Employment in a Free Society,” wrote:

“If full employment is not won and kept, no liberties are secure, for to many they will not seem worthwhile.”

There is an immense responsibility on this House, at this period in our history, to respond to the real concerns of ordinary people, who know, despite the statistics and propaganda, that life for them is very difficult. There are difficulties in dealing with the cost of living; difficulties in dealing with energy prices; and difficulties in finding jobs and in keeping them. In the interests of all our people throughout the United Kingdom, we should ensure that there are real, well-paid jobs and a good future for our young people based on proper apprenticeship and training. We should seize the opportunity, even in the short time between now and the election, to respond to the British people and ensure that we aim to help the many and not just the few.

**Several hon. Members** *rose*—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. As I indicated earlier, there are a great many colleagues still wishing to speak; indeed there are 40 of them. Therefore, after the next speaker, I will reduce the time limit to five minutes.

**3.12 pm**

**John Howell (Henley) (Con):** Like the Secretary of State, let me start by concentrating on today’s good employment figures, especially those from Henley. We have seen a 60% drop in the unemployment figures, giving us a lower level of unemployment than before the general election of 2010. The figure itself stands at 371, which makes us the third best performing constituency in the UK—the two constituencies that beat us probably have more sheep than people. It is 21 lower than in April 2014, and 209 lower than a year ago. Crucially, the number of young unemployed remains around the 20 mark for the two towns of Thame and Henley.

**11 Jun 2014 : Column 595**

The shadow Secretary of State attacked this Government’s long-term economic plan, but these figures show that the plan is working, and the good news that there are 2 million more people in work since the election reinforces that point. The news is exceptionally good. In my constituency, we would have to go back more than six years to find such good figures. It is a remarkable achievement and I am proud of the way that business has reacted locally to help young people get into jobs. These remain difficult times for families who are still feeling

the impact of the recession, but the foundations for a broad-based recovery are now in place. I am keen to see living standards continue to rise so that we can build on those foundations, and we need to keep growing the economy and creating more jobs.

The problem for me is that there are too few people who are unemployed to have a meaningful jobs club. I found a way around that, which was to have a club to encourage and teach businesses how to keep their employees rather than my trying to find placements for them.

In looking at how this Queen's Speech continues to build on the good work already started in the long-term economic plan, I want to put my finger on one measure in particular, which is national insurance contributions. Cutting businesses' national insurance contributions by £2,000 has taken 450,000 firms out of paying employer NIC all together. That follows on from increasing the secondary threshold—the level of earnings above which employers start to pay national insurance for an employee.

We were prevented from sharing in the national insurance holiday introduced in the first Budget as it was regionally oriented away from the south-east, but the £2,000 relief introduced in Budget 2013, the employment allowance, was a welcome addition. Will Labour now confirm that it will not increase that tax again?

The national insurance contributions Bill heralded in the Queen's Speech is required to simplify the collection of NICs payable by the self-employed and to tackle certain avoidance measures. I urge Ministers to look carefully at the situation in which a small proportion of people pay their class 2 NICs and are not in self-assessment. They need to be able to continue to pay their class 2 NICs.

I was pleased to see that the avoidance measures tackle the situation in which people hang on to the cash in question through long disputes and it will stop them gaining a potentially significant cash-flow advantage. I urge Ministers to ensure that the scheme is tightly drawn so that it will not catch innocent providers.

I also want to touch on the small business, enterprise and employment Bill. Small businesses make a huge contribution to the UK economy and account for around half of UK jobs. One of the areas that the Bill tackles is that of employment tribunals. I understand that it tries to prevent their postponement. Employment tribunals often suffer unnecessary delays, and one of the contributing factors is the frequent requests for postponements at short notice. That has a big impact on the costs to business. It is also necessary to ensure that the rights of claimants are protected, and I was pleased to see the idea of a penalty for non-payment of employment tribunal awards.

One of the other sections of this Bill is the need to ensure that employers pay their workers at least the national minimum wage. The enforcement of that measure is very serious. We are already the first Government to

#### **11 Jun 2014 : Column 596**

name and shame employers. The number of employers penalised last year almost doubled to more than 600, and the new measure is a logical extension of that.

Finally, on apprenticeship reforms, anything that can be done to ease access to apprenticeships and increase our understanding of them has to be welcome. I am thinking of short, simple standards rather than long, complex frameworks to characterise apprenticeships. It will also be necessary to increase their quality through higher expectations of English and maths and to raise aspirations

The Queen's Speech contains those and many other measures, which will help to boost jobs and work. It will help small businesses access the public procurement market and hopefully lead to more reductions in unemployment in my constituency.

**3.18 pm**

**Mr David Winnick (Walsall North) (Lab):** When the opportunity arises, I will express my reservations, if not opposition, to the recall Bill. It is not the right way of dealing with a matter that is obviously of concern to all of us, which is those Members who act in a wrong and dishonest way. We should bear in mind that two Members have recently resigned in circumstances that we all understand, so there is a different way of dealing with these matters rather than in a recall Bill.

Obviously, I want to deal with the main subject of today's debate. The Queen's Speech refers to rewarding those who work hard, and I agree with that; it is a good sentiment. However, it does not describe the situation as it is. Millions—literally millions—of people throughout the country, a good number of whom are actually in jobs, are struggling week by week to try to make ends meet. Despite all the denials by Government Members, poverty is increasing. That is certainly the case in my constituency and other parts of the west midlands. More than 50% of families who are living in poverty have at least one adult in work. Yes, we want people to be able to have jobs—unemployment is a curse and the Labour party has said that from the very beginning, ever since it was formed—but it is also a question of having adequate wages.

The reasons for the sort of poverty experienced in places such as my constituency are easy to see: low wages, wage freezes, rising everyday costs, not least of domestic fuel—and let us not forget for one moment the infamous bedroom tax. I am very pleased that we have already given a firm pledge that that notorious measure will be repealed by the next Labour Government. A lot has been said by Opposition Members, and rightly so, about the abuse arising from zero-hours contracts.

For those Government Members who say that this is all an exaggeration and that poverty does not exist at anywhere near this level—

**Mr Robin Walker** *indicated dissent.*

**Mr Winnick:** I see the hon. Gentleman shaking his head. Let me mention one statistic that has been sent to all Members by the Trussell Trust, which, as we all know, provides food banks: in 2013-14, nearly 1 million people received three days of emergency food from that trust alone—there are other such food banks—whereas the figure for 2012-13 was 347,000. In one financial

**11 Jun 2014 : Column 597**

year, there has been a 163% increase in the number of people needing to go to food banks. People do not go to food banks for fun. They do not go to food banks because it is free food, as some Government Members wish us to believe. People cannot just go to a food bank and get food; they have to have a voucher and satisfy someone that there is a need for that assistance, and there is a limit to the number of times one can receive food from a food bank. The Trussell Trust's figures illustrate what is happening.

In a report published last month, the charity Save the Children referred to the fact that, under current policies, there will be an increase in the number of poor children. The Institute for Fiscal Studies predicts that, under existing policies, there will be a one third rise in child poverty by 2020. That should concern us all.

I was pleased and proud in December 1997 to support a national minimum wage, which was fiercely opposed by the Tories. So passionate was their denunciation of that policy, they gave every reason against it. That was an excellent and necessary measure, but we have to build on it and have a decent living wage. There is no reason why, in a prosperous society such as ours, millions of people should have to live in the circumstances I have described.

**3.23 pm**

**John Hemming (Birmingham, Yardley) (LD):** One always wonders whether the Opposition have actually learned anything while in opposition, and listening to the shadow Secretary of State gave some indication of whether they have or not. I have had some useful conversations recently with Lord Turnbull, who, as Cabinet Secretary, was the senior civil servant and, I would argue, has some understanding of how national fiscal policy

operates. He kindly pointed out table 4.1 of the “Public Expenditure Statistical Analyses” to me, which shows that when Labour was in office, while there was an upswing, public expenditure increased as a proportion of GDP. If anyone is interested, I have put the figures on my web log, linked to a Google Docs analysis that demonstrates how Labour started over- spending.

Much though people on the continent, such as the President of France, may have taken the view that one can spend one’s way out of bankruptcy, after a period in office I think President Hollande concluded that actually one cannot spend one’s way out of bankruptcy—that the additional GDP from the spending does not give an adequate tax take.

That leaves us in a situation where we cannot change things rapidly. A very big deficit cannot be reduced to zero overnight, because of the economic disruption that that causes. The shadow Secretary of State complains that we have borrowed a lot of money, but we have done so because there was a big deficit. Every year, one borrows the amount of the deficit, which adds to the debt, and one cannot change that rapidly, either by putting up taxes or by cutting spending to bring the accounts back into balance, because the disruption from that causes additional problems. That he complains about something that is obviously there on a simple, basic mathematical point shows that Labour has learned nothing.

### **11 Jun 2014 : Column 598**

The hon. Gentleman’s refusals to clarify for me Labour’s plan to get rid of the intermediate apprenticeship is also symptomatic of a substantial problem. Scrutinising the Deregulation Bill, Opposition Members happily stood up and said, “Let’s get rid of the intermediate apprenticeship,” of which there are about half a million in this country; they did not think about the consequences for the people affected. Earlier, the hon. Gentleman gave a one-word answer on that subject and would not clarify, so one has to assume that the Opposition’s detailed policy remains the same: they do not want intermediate apprenticeships. Well, I do want intermediate apprenticeships; they are a good route into work.

There we have two basic examples in which it appears that the Opposition have learned nothing. In government, we are making progress and dealing with matters that require a long-term plan—we cannot do it based on a short-term plan—but there are issues to be worried about.

I worry about the statistical basis of poverty analysis. I see individual cases of people who are really struggling. I see people who have been wrongly sanctioned and, happily, at times I have been able to resolve the sanctions. There are problems with the system—it can have a knock-on effect on housing, which it should not have. I know that the Government are trying, through the universal credit system, to introduce a more supportive system, which is more about encouraging compliance than punishing people, but we are still operating the older system, which is causing problems.

Everyone who is on tax credits and at the bottom end of the market is included, but we have to remember that people who are not officially in poverty in other countries migrate here to enter our work and tax credits system. Should they be lumped in with the people who are having to attend food banks because they were wrongfully sanctioned? I do not think they should. When the statistics conflate those different circumstances—people who are coming to this country to participate on that basis and people who are really suffering—they make a mistake. We need to work as a Government to reduce the suffering that comes from, say, wrongful sanctions and to help people who are having great difficulty making ends meet, but we should not conflate the different circumstances. If we get the statistical analysis wrong, it is meaningless.

**3.28 pm**

**Katy Clark (North Ayrshire and Arran) (Lab):** Thank you, Madam Deputy Speaker, for giving me the opportunity to make a brief contribution to this debate.

This year’s Queen’s Speech is one that fails the people of North Ayrshire and Arran and fails the people of this country. The Secretary of State referred to the fact that there are only 11 Bills, but I do not take much comfort

from that because I remember the last parliamentary Session. There were many pieces of legislation covering many matters, but there was little discussion or time given to enable this place to scrutinise effectively the range of measures that were forced through by the Government. When the Secretary of State referred to the small business Bill and the range of measures in it, my response was one of fear about what will exactly be in the Bill when we see it in its full glory.

The reality is that our country faces massive challenges. We face the massive challenge of responding to an economic crisis and to the austerity that is being imposed

**11 Jun 2014 : Column 599**

not only on the people of this country, but throughout Europe and the western world, yet there is little discussion of that in this place.

The Secretary of State spoke about statistics and referred—quite interestingly—to the 99%. He accepted that the vast majority of people in this country are paying the price of the economic crisis and he also conceded that the 1% are doing very well, nicely. Of course, that is not just the case in this country. As we look around, we see that it is the case throughout the western world, whether that is in Greece, Ireland, Portugal—it is true in any country that people choose to look at. The super-rich, those who are really in control of many of the decisions that affect most of our lives, are seeing their wealth and power increase, while most of us have been put in a position where our living standards have been squeezed by the economic crisis and the way that politicians have responded to it.

I am pleased today to speak in favour of the amendment that has been tabled by the Opposition Front Bench team to bring forward measures to raise the minimum wage faster than average earnings. We know that the measures that this Government have introduced have led to a squeeze in the living standards of the vast majority of people in this country, and when proposals are put forward to try to address that situation—for example, the proposal of a price freeze for people's energy bills, whether those are electricity or gas bills, which would obviously affect not only individuals but businesses—the Government react with horror. They also react with horror when it is suggested that we should do something to try to deal with the private rental market, even though in parts of the country rents are increasing at far higher rates than people's incomes.

The reality is that since this Government took power, in all but two months real wages have failed to keep pace with inflation. Indeed, after the welcome real-terms increase in pay in March, there was another fall in April. As we know, the Living Wage Commission has highlighted that 21% of people in work in this country—5.8 million people—receive less than the living wage. Therefore, the amendment that we are considering today clearly outlines the direction of travel we should be taking and we need to say that it is simply not acceptable that we continue to be a country where there is chronic low pay and where people are not paid a decent amount that they can afford to live on if they work full-time. That is not an acceptable way to organise ourselves in a civilised country.

The Government can put forward proposals that refer to welfare caps and fiscal responsibility, but until we put in place the measures that put the pounds into ordinary people's pockets and give them the ability to make decisions for themselves and live in dignity, we will not address the real issues.

This Queen's Speech fails the British people; I look forward to voting against it.

**3.33 pm**

**Chloe Smith (Norwich North) (Con):** Along with many hon. Members, I welcome the unemployment statistics released today. I note that in my own constituency unemployment has come down, both on the year and on the month, which is to be welcomed alongside the drops nationally in both the long-term unemployment rate and the youth unemployment rate.

**11 Jun 2014 : Column 600**

I also welcome the national insurance cut of £2,000 for businesses, which has contributed to businesses taking people on. I note of course that the Opposition have refused to say whether they would rule out reversing that change if they were in Government.

In the Gracious Address, I particularly welcome the child care Bill, which will continue to make it possible for women to go into the workplace, and for men and women to share their child care responsibilities between them as they think best for their own circumstances.

I also welcome the small business Bill, which the Secretary of State spoke about earlier today. I particularly welcome measures in that Bill that support entrepreneurs. In a discussion that I had only yesterday, I came across an extremely interesting statistic. I understand that by the 2025 general election, the self-employed will outnumber public sector employees, which will be the case for the first time since the second world war. That is not only extremely interesting electorally speaking but is, of course, exactly the reason why we need to use a Bill such as the small business Bill to back entrepreneurs and all that they wish to do for themselves, their families and the jobs that they may create in the future.

**Charlie Elphicke:** A policy that I have been setting out before now is to have a really light-touch regime for the taxation and regulation of start-up businesses, whereby it will basically cost nothing whatever to set up a business. What does my hon. Friend think of that idea to drive entrepreneurship?

**Chloe Smith:** I strongly welcome that point and the Government could do well to examine my hon. Friend's idea.

A subject that my hon. Friend and I have spoken about in the past is the other phenomenon that will happen by the 2025 general election. It is that generation Y—to talk in generational terms—will become a competitive part of the electorate compared with the baby boomers. Of course, I am talking about generation Y and all those who come behind them; I think that hon. Members will understand that concept.

I am not seeking to stir up any form of strife between generations; I do not think that would be productive. I mentioned jobs news and I wish to hail the work in my own constituency of the Norwich for Jobs campaign, which has brought about impressive results for young workers. However, I also wish to refer to the needs of older workers who will no doubt remain in the work force. I have met several 50-somethings in my constituency surgery to talk about exactly that issue.

In passing, I will say that I welcome the pensions Bill laid out in the Queen's Speech, which will allow pensioners to have far more control and freedom over what they choose to do with their savings.

I will take a moment or two to talk about the way that our politics and indeed our economy need to change, so as to adapt to generation Y and its needs in the coming years. The Queen's Speech sets out a basis for that change.

Benjamin Disraeli spoke about there being two different planets and we might ask whether there are still two different planets. He spoke about rich and poor, but in fact the figures suggest that there is a gap between older voters and younger non-voters. That gap is an important one and it should concern us all.

#### **11 Jun 2014 : Column 601**

I hear some people say that generation Y—younger voters—will simply bounce into the same habits that previous younger generations may have had. However, three things have changed: when asked, this generation reports having less interest in traditional politics than others; it has less belief that voting is a civic duty; and it has less affiliation with parties. That all adds up to an existential change for British democracy. The UK is worse than other countries in this regard; it is indeed the sick man of Europe and it does not compare well with the US either. Young people vote less than their elders elsewhere, but Britain's problem in this respect has got worse.

That should concern us, but it also gives us an opportunity. We can look at research by Demos, which shows that these younger people look to themselves to take action, and to businesses, charities and action groups to achieve things in their chosen community. Indeed, the state comes a long way down that list. Generation Y, like any other group, backs its own values and aspirations. I want politics in Britain to work for the members of that generation and I want the principles of the small state, responsible economics, freedom, enterprise and social liberalism to come through for them.

First-time voters in 2015 may have an aversion to formal, professional politics, but they are interested in community affairs and they are doing great things in their communities. What are the right things that the Government should do to respond? They should focus on the economy, on education and indeed on those major intergenerational issues that I have mentioned. The Conservatives in Government have a good record in that regard: honesty in public finances; more jobs, and a plan to go further with the tax cut in April 2015 for businesses employing under-21s; house building; reform of welfare; and the ambitious work at the Cabinet Office to make public services work for people. We have this record that we can be proud of; we should aspire to do more; and the Conservative party can be this party for the future. The Queen's Speech delivers results. People should judge us on those results and young people can do the same.

**3.39 pm**

**Dr Eilidh Whiteford (Banff and Buchan) (SNP):** There are few issues of more primary importance to our constituents' lives and our wider economic health than jobs and work. After the deepest recession for a century, the economy, however tentatively, is improving. The news today of another fall in unemployment should be welcomed across the House. I am especially pleased to see the highest level of women's employment in Scotland since records began. I am also pleased to note a further fall in unemployment in Banff and Buchan.

Nevertheless, employment is still not back to its pre-recession levels. We should all be concerned about some of the significant challenges lurking beneath the surface figures. The first of these is youth unemployment, which remains unacceptably high. I came of age in the 1980s, when mass unemployment left a generation of school leavers languishing on the dole. I remember how that was not only soul destroying for the individuals affected, but destructive of our whole social fabric. Unfortunately, I see the same mistakes and oversights

**11 Jun 2014 : Column 602**

being repeated before our eyes. Youth unemployment is still around 18% across the UK. The economy is recovering and employment is growing in the wider labour market, but young people are not seeing the benefits.

The scale of the problem and its potentially long-term consequences should shake the Government out of any sense of complacency. In Scotland, the modern apprenticeships scheme has meant that 77,000 new apprentices have had an opportunity over the past three years, and the follow-up shows that 92% of them remain in work six months after completion, the vast majority of it full-time. Additionally, the opportunities for all scheme has offered a training position, a work placement or an educational place for every single 16 to 19-year-old in Scotland.

However, from 2014 a new programme of EU funds becomes available to enable member states to deliver a youth guarantee that would offer those opportunities to any young person up to the age of 24. These additional resources would enable the extension of the opportunities for all scheme to other young adults. I would be keen to know what use the Government intend to make of that funding so that all our young citizens can benefit from the EU youth guarantee?

It is clear, however, that we still have an awful lot of work to do. The interim report of the Commission for Developing Scotland's Young Workforce, chaired by Sir Ian Wood, highlighted the need for schools, colleges and employers to work much more closely together to equip young people for the workplace and to ensure that vocational education meets their needs and those of the labour market. The report also highlighted the

need to tackle inequalities, whether the barriers faced by disabled youngsters and minority ethnic groups or the chronic cross-cutting inequality associated with occupational gender segregation.

In my constituency I have seen a lot of good practice, for example in the North East Scotland college in Fraserburgh, which is working with local employers and schools to create pathways for young people into work. Only a couple of weeks ago I presented prizes to pupils from Mintlaw academy who won this year's Technology Challenge, a competition run by the college, sponsored by several energy and manufacturing companies and involving second-year pupils from schools across northern Aberdeenshire. The competition is a model of good practice because it involves all the pupils in the early years of secondary school, before they make their subject choices, with a view to making them aware of the excellent career opportunities open to those with qualifications in science, technology, engineering and maths. Importantly, the competition insists on the equal participation of girls.

That leads me neatly on to the other key issue I want to address today: the persistent gap between male and female earnings, even 40 years after the Equal Pay Act 1970. Occupational gender segregation continues to be a problem, and too many women are in low-paid, part-time or insecure work. I do not think that anyone would pretend that these problems are easy to resolve, but I would like to have seen the Government attempt to make more headway. As I have said before in the House, the austerity measures of the past few years have fallen wholly disproportionately on women, to a large extent because women are more likely to have caring roles, to be in part-time or low-paid work and to be in receipt of tax credits.

**11 Jun 2014 : Column 603**

The availability of affordable child care is an acute issue for parents combining work with family life, but we have seen only this week how parents are falling foul of the Department for Work and Pensions new sanctions regime, which is making it impossible for some parents to meet their family commitments. This is carers week and it is also important to acknowledge the role that carers play in providing social care and the impact that has on their employment prospects.

It has become a truism of political discourse to say that work is the route out of poverty—indeed, the Prime Minister said it twice this afternoon. Of course, at the most obvious level, well-paid, full-time work is a route out of poverty, but over recent decades rapidly increasing wage inequality has meant the rise of the working poor. For those in minimum-wage jobs who are unable to secure full-time hours, in-work poverty has become a new reality. We are in a situation in which a family with two children, paying average rent, with both parents working full time in low-paid jobs, will be a family on the breadline. If the minimum wage had kept pace with inflation, those in the lowest paid jobs would be over £600 a year better off. We need to acknowledge that the minimum wage is no longer a living wage and that it needs to catch up with the cost of living.

Meeting these substantial challenges requires strategic interventions and a willingness to try innovative approaches, so I am disappointed that the Gracious Speech failed to address youth unemployment—

**Madam Deputy Speaker (Dawn Primarolo):** Order.

**3.44 pm**

**Margot James (Stourbridge) (Con):** I am delighted to have the opportunity to speak in support of the Queen's Speech, which contains several measures that will impact positively on employment. The Gracious Speech builds on a record of achievement: the deficit will be cut by 50% this year; unemployment is down from the 8.4% that the Government inherited to 6.6%, as announced today; and our economy is growing faster than that of any other country in the G7 and across the European Union. Unsurprisingly, business and consumer confidence has returned.

There have been difficult decisions and people have made many sacrifices to bring about this economic turnaround: people working in the public sector have endured pay freezes or redundancies; people relying on savings have endured low interest rates that have been vital to the recovery; and many private sector

employees have voted to take a salary cut, to safeguard employment among the wider group. Let their sacrifices not have been in vain. We on the Government side of the House, as evidenced in the Queen's Speech, will work hard to ensure that there is no return to boom and bust or to tax and spend, when "more of" was the answer to every question and every challenge.

Earlier this week, I hosted a reception in Parliament for the Federation of Small Businesses. This year is its 40th anniversary. I am proud to represent so many specialist manufacturing companies in Stourbridge, particularly in Quarry Bank, Lye and Cradley. Most of them are family firms that have excellent employee relations, but their main concern is that their employees are ageing and they will have to replace that skilled work force.

#### **11 Jun 2014 : Column 604**

I run a programme in my constituency to encourage young people to broaden their career horizons. I lay on university, apprenticeship and career events, and I always aim to get across the opportunities in engineering and manufacturing. Employment in the manufacturing sector declined from 5.7 million to 4.3 million between 1981 and 1996, and then it plummeted by 2.5 million up to 2011. Finally, after 30 years of continuous decline, the number of people employed in manufacturing is on the increase again, up by almost 100,000 since 2011. That is proof that the strategy of rebalancing the economy towards manufacturing and regions outside the south-east is working.

The problem for the sector is the image of manufacturing and engineering in the minds of so many young people, especially girls. That has been a problem for most of my life; it is nothing new. What is new is the opportunity in the sector. I have mentioned the growth in jobs, but output is also buoyant, with growth of over 4.4% in the past 12 months. Technological advances, innovation and export opportunities make for a very different working environment from the machine tool business that my father ran in Wolverhampton during the 1970s. We have a shortfall of 40,000 engineers every year. Several Members have mentioned women in the workplace. Fewer than one in 10 engineers is a woman. If we could treble the number studying science, technology, engineering and maths, we could really address the skills shortage.

Today's news on employment is an excellent platform from which the measures in the Queen's Speech can impact even more on people's employment opportunities. I hope that with the help of businesses, schools and colleges, we can transform the image of manufacturing and engineering and attract the talent that the sector needs further to boost the economy and add to the great work that it has been doing over the past few years.

**3.49 pm**

**Austin Mitchell (Great Grimsby) (Lab):** I absolutely agree with the measures proposed by my hon. Friend the Member for Streatham (Mr Umunna) in his opening speech. I say that not just to dissipate the impression of disloyalty that I might have created by an article in the *Daily Mail* this morning, but because those measures will restore what we desperately need in this country—more stability in the labour market. We have had a long period in which wages have increased by less than inflation in 46 of the past 47 months of statistics since the coalition came to office. That has to be ended, because it is creating a very undesirable kind of society. It is the kind of society described by Professor Piketty—or I should say, because he is French, Professor Piketté—in his book, "Capital".

**Mr Tobias Ellwood (Bournemouth East) (Con):** On a point of order, Madam Deputy Speaker.

**Madam Deputy Speaker (Dawn Primarolo):** I hope that it is, Mr Ellwood.

**Mr Ellwood:** I know that time stands still when the hon. Gentleman speaks, Madam Deputy Speaker, but the clock does not seem to be moving, and I wonder whether it is possible to make sure that the time limit is placed on it.

#### **11 Jun 2014 : Column 605**

**Madam Deputy Speaker:** That absolutely is a point of order, Mr Ellwood, and I am very grateful to you. The clock has to be operated manually at the moment, so we will do our best to make sure that it works.

**Austin Mitchell:** If it is any consolation, Madam Deputy Speaker, my clock stopped in 1979. I hope that that qualifies me for an extension of my speaking time.

This kind of society where wealth accumulates and wages and salaries fall as a share of GDP is very undesirable. As Goldsmith put it,

“wealth accumulates, and men decay”.

And it is an economically inefficient society, because purchasing power and stimulus to the economy, then growth, come from the purchasing power of the masses, not the classes. If we are transferring more money to the classes, we will have a slow-growing, stagnant economy. Under the policy pursued by this Government, the only real long-term plan is to slash public spending, benefits and the living standards of the working classes, to transfer money to tax cuts for the rich. The theory is that this will stimulate enterprise and money will trickle down to the poor and the working class, in the same way that the trickle-down effect of horses improves roads. That is the plan, and it is a disastrous development for our economy.

I agree with the proposed measures on raising the minimum wage, promoting the living wage and improving skills, but other measures need to be taken as well. The only real solution to the problem is economic growth to put the people back to work, because full employment is the only adequate form of social security that we have ever developed in this country. That means, first, a massive house-building programme, particularly one of public housing for rent that people can move into, because most people now cannot afford a mortgage and could not get one if they tried. That could be financed by municipal bonds or quantitative easing. Why should the money from quantitative easing—which is, in effect, the Bank of England printing money—all go into the vaults of the banks? Why should it not be used to finance contracts for massive public spending and investment in work on new towns, for instance, provided that there are proper contracts and a proper rate of return? We should use quantitative easing to improve public spending.

**Caroline Dinéage (Gosport) (Con)** *rose—*

**Austin Mitchell:** I am not giving way—I am sorry. I am having my time extended as an incentive to carry on next year.

Secondly, we should expand public spending generally. What is the problem with borrowing? In a recession, we need to borrow to stimulate the economy. Keynesian economics still works. Why are we so reticent about borrowing more to spend, to stimulate growth? Only in a growth situation can we pay back the debt.

Thirdly, we should boost exports by getting the pound down to a more competitive level. It has risen by nearly 10% in the past few months, and it needs to be more competitive if our exports are to be stimulated.

We need to take all those measures to expand the real economy as well as the measures to deal with the labour market that we are discussing. I appeal to the Government

**11 Jun 2014 : Column 606**

to get rid of their restrictive attitude and start thinking about expansion. I ask my Front Benchers to be less cautious and timorous about capital. Let us expand, grow, and get the people back to work.

**3.54 pm**

**Mr Robin Walker (Worcester) (Con):** It is a pleasure to follow such a passionate speech by the hon. Member for Great Grimsby (Austin Mitchell). I share his passion for full employment. It is a pleasure to speak on the day the claimant count in Worcester is more than 1,000 fewer than it was at the time of the general election and

youth unemployment has halved since its peak under Labour in 2009. As a result of raising the tax threshold, more of those people who have found work will keep more of the money they earn, which we should all celebrate.

As a member of the Business, Innovation and Skills Committee—I very much enjoyed my Chairman’s speech earlier on apprenticeships and pubs, which are two areas on which we are making progress—I am delighted that jobs and work are at the heart of the Gracious Speech and particularly welcome the small business Bill. Small businesses are the lifeblood of our economy, and it is to the credit of this coalition Government that we have seen increasing numbers of businesses starting up, employing and expanding. Worcester has a very lively small business community, and one of my greatest pleasures as its MP has been to visit some of the entrepreneurial businesses starting up and then see them grow and take on jobs and apprentices.

It has been right to reduce the tax burden on small businesses as well as on the people who work in them, and the Gracious Speech commits us to continue to do that by talking about the need to

“cut taxes in order to increase people’s financial security.”

**Caroline Dinenge:** My hon. Friend is an outstanding member of the BIS Committee. Does he agree that, contrary to what the hon. Member for Great Grimsby (Austin Mitchell) has said—when he said that his clock stopped in ’79, I thought he meant 1479—the one thing we need to do to get businesses employing and growing is not to print more money, but to trust them, tax them less and cripple them less with bureaucracy, unlike the previous Government, who between 2007 and 2008 imposed more bureaucracy costing £10 billion?

**Mr Walker:** I could not agree more with my hon. Friend, who has been a truly outstanding member of the Committee. We will miss her if she goes on to greater things.

One of the ways in which we have removed a burden from small businesses and the people who work for them is by freezing fuel duty not just once, but throughout this Parliament. My hon. Friend the Member for Harlow (Robert Halfon) has campaigned very hard to achieve that and I congratulate him on his success.

In this Parliament, I am very proud to have supported the scrapping of Labour’s jobs tax, the introduction of the employment allowance and the extension of doubled small business rates relief. The Gracious Speech takes forward that legacy, but business rates are one area on which I would have been keen to see the Government go further. I warmly welcome the decisions taken in last year’s autumn statement to provide extra discounts to

#### **11 Jun 2014 : Column 607**

small retail businesses and to initiate a consultation on how the valuation office and appeals system could be improved. However, our Committee recently concluded in its excellent report on the retail sector that fundamental reform was needed:

“Clear, decisive action needs to be taken. If there is one thing that this Report urges the Government to do, it is to reform Business Rates. For retail, and other enterprises, to continue on the High Street, the Business Rates system must be addressed urgently.”

Such reform should make the system more responsive, allow for more regular revaluations, faster appeals, incentives for growing businesses that create jobs and reduce the unfair burden borne by the retail sector.

Although I regret the omission of a business rates reform Bill from the Gracious Speech, I welcome the inclusion of a number of other business-friendly Bills, particularly the small business Bill, which the Federation of Small Businesses nationally and—perhaps more importantly to me—in Worcestershire has warmly welcomed. John Allan, the national chairman of the FSB, has said:

“This landmark Bill will...be welcomed by our members.”

Local businesses have told me that they would particularly welcome measures to encourage prompt payment and a tightening up of what has so far been largely a voluntary code. I have taken evidence as part of cross-party work on some of the problems with late payment that affect many small businesses, and there are sectors, including construction, where not just encouraging but mandating better behaviour would make a massive difference.

Local businesses will also welcome an even greater focus on helping small businesses to access finance. It is good news that the Government should be ensuring that banks automatically pass on customers to alternative lenders when they are turned down for credit. That should encourage the growth of crowdfunding and support the development of community development financial institutions, such as Impetus, which helps many companies in Worcestershire.

Procurement is certainly an area in which the Government can do more to help small businesses. I am delighted that since 2009-10, the value of Government procurement to small and medium-sized enterprises has risen by almost 50% to £4.5 billion, but there is much further to go. That figure is still only just more than 10% of overall public procurement, or 19% if we include the supply chain. This Government have rightly set out to make the figure at least a quarter. Other countries, such as Germany and the US, seem to be able to support a higher proportion of Government procurement from SMEs, and we must do all we can to learn from their example.

This legislative programme also sets out to do something that previous Governments failed to do and that too many small businesses feel they have had to police for themselves, which is toughen up enforcement of the minimum wage. I am proud that this Government have decided to increase the minimum wage above inflation and that they have done so in a way that has kept the support of the business community, but I am also determined that the disreputable minority who flout the rules do not benefit from doing so. Most companies I speak to want to do the right thing, but they expect to be able to compete fairly by doing so, and not to be undercut.

#### **11 Jun 2014 : Column 608**

Yesterday, members of the Business, Innovation and Skills Committee met some Members of the German Bundestag to discuss their debate about introducing a national minimum wage. One suggestion to come out of that discussion was that enforcement could be linked to Government procurement, with any company proved to have failed to pay the minimum wage named and shamed by the Government and barred from winning Government contracts. I hope that my right hon. Friends on the Front Bench will consider doing that.

Similarly, I am pleased that this Government, unlike their predecessor, are taking real action on zero-hour contracts. It is good news that the majority of jobs created have been full-time ones. Yet where there has been growth in zero-hour contracts, that matter has been taken seriously by the Government, and legislation affecting this area will be introduced.

In dealing with fairness, we need to continue this Parliament's valuable work to limit the cost of, and to regulate, high-cost credit. I was pleased to welcome the Chancellor's actions on this in the Budget. I recently attended meetings with the Church of England and the Financial Conduct Authority, which, in their different ways, are taking forward their respective duties. I want to see further progress on real-time data sharing across the industry and more support for the free debt advice sector, with the cap—when it comes—set at level that will alleviate the many problems that high-cost credit can cause. I was honoured, alongside my Select Committee colleague, the hon. Member for Sheffield Central (Paul Blomfield), to be named the Citizens Advice parliamentarian of the year for my work on this front, but there is still more to be done.

I welcome this Queen's Speech and its measures to create greater prosperity and more jobs in this country. I hope that those measures will have their full effect in Worcester, and I look forward to fighting Worcester's corner in the year ahead.

**4.1 pm**

**Mr William Bain (Glasgow North East) (Lab):** Like many right hon. and hon. Members, I have been troubled, particularly in the past few months, by the growing disconnect between the politics in this House or the constitutional politics of the referendum in Scotland and the real-life experiences of our constituents. With wage growth yet to take hold in any sustained way after the longest period of falling real wages in our history, and with productivity remaining weak and investment low, it is no wonder that claims made by Ministers in this House about a recovery for all count for so little with real Britain.

This Queen's Speech was this Government's last opportunity to deal with the huge underlying problems in our society which mean, as the Minister without Portfolio, the right hon. and learned Member for Rushcliffe (Mr Clarke), admitted in a rare bout of candour from this Government, that ordinary people are not experiencing any kind of recovery in their living standards. The failure of this Government over the four Queen's Speeches of this Parliament will make even worse the sense of alienation that people feel in communities up and down this country.

However, my discussions with 2,500 constituents on the doorstep in the past month have shown me that people have not given up. Civil society is helping to fill

**11 Jun 2014 : Column 609**

the yawning gaps that this Government are leaving—for example, with the explosion in the use of food banks. They need and deserve a Government who are listening, have a plan for change and are in touch with their lives.

Just as it was Labour in opposition in 1945, 1964, 1974 and 1997 that offered hope that Britain could be better, so it falls to Labour Members now to speak up for the millions of ordinary people who yearn for change and yearn for them to be their voice. In this debate, let us be the voice for the 1.4 million people in this country, including the 120,000 in Scotland, who work part time but need full-time work because of declining wages. Let us be the voice for the tens of thousands of young people suffering for years on end from mass unemployment whom I have encountered in my constituency in the past few months. Let us be the voice for the low-paid and low-skilled workers who need a workplace skills revolution to boost their wages now and to secure greater prospects for the future. Let us be the voice for the 5 million people in this country who go to work and do the right thing, but take home less than the living wage—working longer and longer hours, but finding less and less to show for it.

**Mr Steve Reed:** My hon. Friend makes a very important point about the living wage. Will he join me in congratulating the six boroughs in London—all of them Labour—that are already living wage employers, and in welcoming Croydon's intention to join them, now that Croydon also has a Labour council?

**Mr Bain:** I am most happy to congratulate Labour borough councils up and down the country on those efforts. That shows what Labour can do when it has power. It also shows the difference between the values of Labour and the Scottish National party at Holyrood, which had the opportunity to extend the living wage several weeks ago, but failed resoundingly in that task.

With three in 10 of my constituents who are in work taking home less than the living wage, a Queen's Speech for the many would have changed the remit of the Low Pay Commission to raise the minimum wage in line with trends in average wages for the next five years.

A Queen's Speech for the many would have begun the task of reorganising the banks to ensure that they serve ordinary people and businesses, not the other way around. There should be new challenger banks to introduce more competition in the retail banking sector; new regional banks to support SME lending, as the Sparkassen have done for decades in Germany; a national investment bank, modelled on the successes in Germany, France, the United States and South Korea; and an unshackled green investment bank that is able to drive investment in the renewables sector, with the potential to create tens of thousands of skilled jobs in our economy.

To secure fairness for the disadvantaged, there should have been a Bill to raise the taxes on bank bonuses to help pay for a jobs guarantee for long-term unemployed young people and other jobless people, who are crying out for the opportunity to work and who have been let down so badly by this Government and their Work programme. Perhaps when the Prime Minister was trying to rock the boat with Chancellor Merkel and the Swedish and Dutch Prime Ministers over the EU the other day,

**11 Jun 2014 : Column 610**

he should have taken a steer from them about how jobs guarantee policies in Sweden have benefited employers, given opportunities to young people and helped the public finances.

With 1.4 million people in insecure jobs with no guaranteed hours, a Queen's Speech for the many would have offered the right to defined working hours after a short period in a job. People in Glasgow have told me about the uncertainty that a lack of guaranteed hours is causing them—uncertainty in their family finances, uncertainty over whether they can pay the bills and uncertainty in planning for a decent future.

Given the increasingly skewed jobs market and the lack of skilled service, construction and manufacturing jobs, a Queen's Speech for the many would have contained measures to boost exports, which remain desperately weak, and to boost investment by businesses, particularly in research and development.

For a stronger recovery that reaches every part of these islands, we need a Queen's Speech that expands opportunity, boosts incomes and cuts inequality. We need a fresh start and a new Government to replace this tired and clapped-out coalition—a Labour Government for the many, by the many and of the many.

**4.7 pm**

**Mr Tobias Ellwood (Bournemouth East) (Con):** I welcome the Government's fourth Queen's Speech and the strategy that has been used to navigate Britain out of the choppy economic waters that we inherited, courtesy of the last Labour Government. As we have heard, the UK economy is the fastest growing economy in Europe and, indeed, in the G7. Figures published today show that employment is at record levels, though of course there is still more to be done.

I am afraid that the clock is working now and the time restrictions will prevent me from going into further detail on certain issues. I will therefore move on to my substantive point, which is about Britain's place in the world. The Prime Minister rightly began his response to the Gracious Speech with a tribute to our armed forces and the sacrifices that have been made in Afghanistan. That subject will come up at the forthcoming NATO summit. NATO can be proud of the role that it played in removing al-Qaeda from Afghanistan and building a credible Afghan security force.

**Alok Sharma (Reading West) (Con):** Britain has always been an outward-looking nation when it comes to trade and foreign affairs. Does my hon. Friend agree that we should continue with that and build on it?

**Mr Ellwood** *rose*—

**Madam Deputy Speaker (Dawn Primarolo):** Order. I am sorry to interrupt the hon. Gentleman again; it is the second time that I have done so. However, this is a named debate with a subject and an amendment. The subject is jobs and work, so he needs to make sure that he focuses on that.

**Mr Ellwood:** I seek your clarification, Madam Deputy Speaker. My understanding was that Members of Parliament could contribute to any day of the Queen's Speech debate and give a consideration of all aspects of

**11 Jun 2014 : Column 611**

the Queen's Speech. If I had been aware that that rule was in place, I certainly would not have chosen today to speak.

**Madam Deputy Speaker:** Mr Ellwood, what has happened is that today we are considering an amendment. In the Queen's Speech debates every day before today, Members could raise anything. Today's debate is more focused, and to be in order speeches need to be about jobs and work. I hope that all other Members will focus on that, but, given the misunderstanding, on this occasion I will allow you to make your points, Mr Ellwood. I should make it absolutely clear that that is out of order, but given that you have been so helpful to me about the clock, it is only fair to let you make your points—perhaps briefly.

**Mr Ellwood:** I am grateful for your latitude, Madam Deputy Speaker. As I said, I understood that I could take a broad-brush approach to matters in the Queen's Speech.

I return to our role in Afghanistan, which was mentioned in the Queen's Speech. NATO did well, but I am afraid that the other international agencies did not do so well. We were not good at creating the governance and economic development that were needed in that country. That responsibility was given to other international agencies and they were found wanting. Indeed, our experience in Afghanistan and Iraq now haunts this Chamber, as was shown in the Syria vote last year. It is also making us review Britain's place and role in the world.

The nation's attention has rightly focused on the UK economy, business and jobs as well as on strengthening the fundamental pillars of our society, including health, education and the benefits system. However, as we emerge from the biggest recession ever experienced, events such as 9/11, the Arab spring and, most recently, what has happened in Ukraine and the Sahel show that we have entered a prolonged period of instability with which I am not sure that Britain—and, indeed, NATO—has come to terms.

Conflict itself has also changed. There is no longer unconditional surrender, but agencies such as the EU, the Department for International Development, the World Bank and the International Monetary Fund are involved in stabilisation and nation-building activities that they were never designed to perform. We are essentially winning the wars, but losing the peace.

In an increasingly interdependent world, as the Government's national maritime strategy states:

“Almost every aspect of British national life... depends on our connections with the wider world.”

We are now more reliant on a stable market for raw materials, energy and manufactured goods from overseas, but recent trends such as globalisation, resource competition, population growth and climate change will challenge that stability, and developments and crises in distant regions will have an immediate and direct impact on our prosperity and security in this country.

As a nation, we have always led from the front in helping shape and influence the wider world. As I have implied, the pace of change has not only increased but become more complicated. In a week when we have been debating the importance of British values, we must also agree the extent to which those values should

## **11 Jun 2014 : Column 612**

be defended here and abroad when challenged. There are ever fewer countries in the world that are willing and able to promote, support and, when required, defend our shared values.

However, there are an increasing number of regimes, organisations, groups and movements that wish us harm. It is therefore not the time to turn our back on the world and ignore events around us. This week alone, ISIS has taken control of Iraq's second city, Mosul, while Boko Haram continues its reign of terror in Nigeria and the Taliban have retaken Karachi airport. Of course, there is also the continuing drama that is unfolding for the fourth year in Syria, not to mention Russia's hiding its long-term economic weakness in aggression and deniable intervention. Those events do not happen in isolation.

The solutions to those challenges are diplomatic, economic and political as well as military. As we mark the 70th anniversary of D-day, many of the Bretton Woods organisations that were created to secure peace after

the second world war, such as the United Nations, the IMF and the World Bank, are out of date and in severe need of reform. I believe that Britain is well placed in the international community to lead the call for the modernisation of those agencies so that they are fit for purpose in meeting 21st century challenges. However, we should also be prepared for instability to increase. I greatly welcome the manner in which the Government are moving Britain back to prosperity, but it is also time to think of the wider world and the role that Britain should play as we face a challenging chapter of instability.

**Several hon. Members** *rose—*

**Madam Deputy Speaker:** Order. Several Members have now approached the Chair, and I therefore think it is necessary for me to make it clear before I call the next speaker that today's debate is focused on jobs and work. It is not the full, general debate that we have had on the previous days of considering the Queen's Speech. It may be necessary for some Members to refocus their points so that they stay in order. Mr Ellwood did not have time to do that so he got more latitude than anyone else will get this afternoon. I hope that that is absolutely clear and that Members understand that we are debating the amendment on jobs and work. That is why the Secretary of State for Work and Pensions himself is here to listen to the debate.

Now that that is clear, I call Nick Smith.

**4.15 pm**

**Nick Smith (Blaenau Gwent) (Lab):** In Blaenau Gwent, our local economy needs a big shot in the arm if we are to prosper. Adult unemployment is twice the national average, and we have a youth unemployment rate of 10%. Although unemployment has fallen, the pace of job creation is too slow. People in Blaenau Gwent want to work. We have talent, great potential, an illustrious industrial heritage, and many outdoor attractions.

Much work has been done in the past few years to bring a new motorsports circuit to Blaenau Gwent. It would have attendant engineering, leisure and research facilities, and would be a significant boost for employment in south-east Wales. I am aware that the Silverstone circuit has raised objections to the Circuit of Wales, including questioning the potential use of public funds. The previous Labour Government provided £8 million to speed up construction of the A43 bypass to help

**11 Jun 2014 : Column 613**

ease congestion near the Silverstone circuit, and Northamptonshire county council has also recently provided financial assistance, so I hope that the Government will be even handed and fair when considering the Circuit of Wales and public support for it.

The key to securing good, sustainable jobs in Blaenau Gwent is infrastructure investment. There has, of course, been major investment in Blaenau Gwent, including improvements to the A465, the new Learning Zone and the Nye Bevan hospital, and we hope in the future rail electrification. In its report published last week, the Transport Committee stated:

"The under-funding of transport projects outside Greater London in recent years cannot be allowed to continue. No area across our nation should be second class in relation to the allocation of transport infrastructure funds."

The same must be true for Wales. Electrification of the west coast main line to Swansea and all the valley lines is imperative. Last December I asked the Chief Secretary to the Treasury whether the Government would consider bringing forward the electrification of the south Wales valley lines as that would boost employment and regeneration in our deprived area. He said he would look at the case for accelerating electrification if possible, but I have heard nothing further.

Infrastructure investment in a home energy efficiency programme is a jobs-boosting measure that is missing from the Government's plans in the Queen's Speech. As an example of delivery in infrastructure investment,

our social landlord in Blaenau Gwent, Tai Calon, will spend around £23 million by 2015 on tackling fuel poverty. It is installing external wall insulation and new heating systems across the county to help keep homes warmer and make them cheaper to heat. It also has a team of fuel advisers recruited from the local young unemployed who can visit tenants and show them how they can cut bills and use their systems more efficiently. The Treasury should take note.

As growth finally comes to the economy after four wasted years, we find ourselves with the persistent British problem: a skills shortage. We know that in Wales and elsewhere, in too many cases skilled jobs cannot be filled because the work force lack the relevant skills. We need to improve educational attainment. Our local training and education system in Blaenau Gwent has seen major investment in recent years, but it must up its game.

The Government must get their act together. Blaenau Gwent is a brilliant place, but although good progress has been made, much more investment in skills, infrastructure and jobs is needed for the future. I am concerned that the Gracious Speech will unfortunately be a damp squib for Blaenau Gwent.

**4.19 pm**

**Martin Vickers (Cleethorpes) (Con):** I was just rewriting my speech in line with your ruling, Madam Deputy Speaker, so you will forgive me—or perhaps you will be pleased—if it is shorter than I intended.

It is a pleasure to take part in the debate. I congratulate the Government on an excellent programme for the final year of this Parliament. It is, despite complaints from the Opposition, a continuation of the comprehensive programme for recovery that we have put in place over the past four years. The idea that it is a thin programme

**11 Jun 2014 : Column 614**

of legislation comes from the Labour party's belief that all problems in our society can be cured by yet more regulation and legislation. My constituents hope that they can get on with their lives, care for their families and run their businesses without undue interference. Of course, they want good quality public services and we must ensure that they are adequately resourced, but that can be achieved only if we allow business to grow. From that growth, money flows into the Treasury and we get better public services.

In that respect, we are making progress. Last week I attended the Hull and Humber chamber of commerce Expo event, where businesses spoke of their optimism and confidence. The chamber's chief executive, Ian Kelly, said in its most recent quarterly survey that

“the Chamber feels that the steady climb out of recession is continuing”.

As if to confirm that, when I returned to my constituency office the latest “Barclays Local Insights” was in my pile of post. Among the statistics relating to my Cleethorpes constituency was the fact that overall turnover for small businesses had risen by 15% in the first quarter of 2014 compared with the previous year, and that this is 6% above the national average. Small businesses in the retail sector saw their quarterly turnover increase by 20% compared with the first three months of 2013. Access to finance for small businesses is still a major concern in the local business community. I welcome moves to ensure further improvements. We must recognise, however, that although these figures are encouraging my constituents are still feeling the effects of the recession. The Barclays report states:

“The severe squeeze on household budgets is beginning to unwind as inflation abates and pay awards start to recover.”

I am pleased that the Government continue to recognise that. The continuing increases in personal allowances, the freezing of fuel duty and the help with energy bills, to name but three measures, all contribute to helping hard-pressed families.

Thanks to the efforts of the Government, working in partnership with our local enterprise partnerships and local authorities, much has been achieved to attract inward investment to northern Lincolnshire and the Humber region. The Siemens investment on the north bank is now secure. I am hopeful that the Able UK development, which is now subject to a special parliamentary procedure to determine the final outcome, will be resolved very soon. It is vital that this long-running saga is brought to a conclusion. It highlights yet again that, despite the efforts of the Government, we need to speed up the process for major planning applications. We risk being left behind by overseas competitors if we do not. For those objecting to developments, whose homes and property can be blighted by prolonged procedures, it is equally important.

I must pay tribute to the Minister of State, Cabinet Office, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), who has responsibility for cities. His hard work in the north Lincolnshire and Humber region has won the respect of politicians across the political spectrum. He has put together a city deal that is vital for the area.

A consultation document published yesterday by the Department for Transport includes suggestions that would reduce dramatically the level of rail service or through-rail connections to major cities, most notably

#### **11 Jun 2014 : Column 615**

Manchester and Sheffield. If this is allowed to proceed, it would be a severe blow to the investment that is currently coming into the area.

**4.24 pm**

**Paul Farrelly (Newcastle-under-Lyme) (Lab):** Last week my right hon. Friend the Leader of the Opposition highlighted some of the most noticeable omissions from the coalition's programme for this, the final year of its lifetime. He quite rightly mentioned what a missed opportunity the small business, enterprise and employment Bill represents to truly tackle low pay and insecurity. These are issues that result in so many hard-working people feeling left out, let down and left behind, and which resulted in what we saw, not for the first time, in May's election: the disaffected's vote for UKIP.

You will be glad to hear that I want to address my remarks to that Bill, Madam Deputy Speaker, but when it comes to the responsibilities of the Department for Business, Innovation and Skills, my right hon. Friend might have mentioned another huge omission: the lack of a higher education fair reform Bill. We have a tuition fees system that, by the admission of one of the coalition's own advisers, is simply not working—not for universities, not for students and not for the country.

On the employment Bill, it is clearly welcome that exclusivity clauses in zero-hours contracts will henceforth be banned. There will be cross-party support for that. Clauses that prevent employees on contracts from working for another employer, keeping them constantly on call with no guaranteed hours, are in many cases simply legalised servitude. However, the Bill should and could have gone further. The Government did not have far to look: last October we had a thoughtful debate in the House on zero-hours contracts which highlighted some of the most iniquitous examples of the practice. At the time of that debate, the Business Secretary launched a consultation, but the outcome in the Bill is frankly just timid.

The Business Secretary should go much further. He should, at a minimum, give workers a right to ask for normal employment contracts if they regularly work the same hours and a right to have a contract that specifies a minimum number of hours, to give vulnerable people at least a modicum of certainty and security. He should also ensure that workers on zero-hours contracts cannot simply be summoned outside their contracted hours and that they are entitled to be paid if shifts are unexpectedly cancelled at short notice. Likewise, the Business Secretary should give such workers the security of employment rights that many of us take for granted: the right to be given notice, rights against unfair dismissal and the right to redundancy pay. A flexible work force should never equate to an exploited work force.

There are other, related issues that the Bill should also tackle. The rights of part-time workers who regularly work longer hours need to be addressed, along with the continued insecurity faced by many agency workers. It is now seven long years since I was lucky enough to be successful in the ballot and to present the Temporary and Agency Workers (Prevention of Less Favourable Treatment) Bill, to try to level the playing field. I did not do so simply because it was supported by the big unions, such as Unite, of which I am a member, or my local ceramics union, Unity; I did it because time after time, decent, ordinary working people, and not a few

**11 Jun 2014 : Column 616**

students, had complained to me about being exploited by agencies, along with employees complaining about facing substitution by agency workers if they complained, asked for a pay rise or insisted on their rights. There were complaints, too, about how many workers who would work for less were being proactively recruited from eastern Europe. That was the insecurity that many people faced then and that they still face now, which manifested itself in a vote for a right-wing party, UKIP, that will benefit ordinary working people not one iota.

The agency workers directive eventually went through, but it was an imperfect compromise, with a 12-week qualification period in the UK, which affords workers here less protection than on the continent. It is a compromise that needs unstitching. Big loopholes such as the Swedish derogation need a really good darning. If the employment Bill does not go there, I hope the next Labour Government will do the necessary needlework.

One of the great strengths of my right hon. Friend the Member for Doncaster North (Edward Miliband) is that he has had the guts to admit where the Labour leadership got it wrong. We cannot have growth on the cheap without social and political consequences. We cannot have a recovery that leaves decent, ordinary people behind, insecure and struggling to make ends meet, while working all hours. This he has said many times since becoming leader. He said it to the voters in Thurrock last week; he also said it in the House last week in response to the Queen's Speech. At the last election I was able to tell people what I was trying to do not only to level the playing field, but to raise the bar, and I support what my right hon. Friend has said about our aspirations for the minimum wage. The employment Bill should go much further to help ordinary working people to be treated more decently. I hope that during its passage we can improve it.

**4.29 pm**

**Christopher Pincher (Tamworth) (Con):** It is a pleasure to follow a fellow Staffordshire Member to speak in the Queen's Speech debate on jobs, particularly on what is, of course, a great day for jobs and for the job prospects of millions. It may not be such a good day for the job prospects of the Opposition Front-Bench team, which may be why they have spent rather less time than they might have done talking about today's good news.

Today is good news for my town, and this Queen's Speech is good news for Tamworth. The situation in which we now find ourselves compared with the situation in 2010 when we had our first Queen's Speech could not be starker. In 2010, at the end of the last Labour Government, the unemployment rate in Tamworth was running into double digits; today, we have one of the lowest unemployment rates in the country. In 2010, at the end of the last Labour Government, one could walk down the Glascote road and see repossession notices on window after window as mortgage companies foreclosed on properties. Under the last Labour Government, people were losing not just their jobs, but their family homes. Those notices are now gone; growth is returning; hope is being restored. In my town, Jaguar Land Rover is recruiting; BMW is recruiting; John Lewis is recruiting. They are recruiting skilled workers because our educational outcomes are improving, with GCSE results going up, and the Torc centre has been named the automotive hub for Staffordshire.

**11 Jun 2014 : Column 617**

I want to speak about this Queen's Speech in relation to jobs, and I shall make three particular points. I am glad that Her Majesty made it clear that her Government will continue to cut taxes in order to increase people's financial security. I hope that those tax cuts will also include business tax cuts—cuts in corporation tax

and cuts in national insurance contributions. Small businesses are the engines of growth in this country—not Governments, not multinationals, but small businesses up and down the country. We need to reduce the burden of taxation on them so that they can expand, invest and create more jobs.

I was also pleased to hear the Secretary of State talk about deregulation and cutting red tape. We have to get on and go even further. I rather hope that the Government will look at regulation as if it were a tax. A small business man may have to juggle the responsibilities of being IT director, finance director and HR director with the all-important task of being sales director. Any Government activity that detracts from the ability to focus on selling or any Government activity that is a tax on time is a tax on business—and it is in those terms that we should think of regulation. I am astonished that we still have so many regulations. There is even a regulation on how to build a staircase. It seems to me that if we were to get rid of that regulation, carpenters up and down the country would not be left helpless. We do not need many of the regulations under which businesses still appear to labour, so I hope that my right hon. Friend the Secretary of State will continue his work on that.

I was pleased to see further help being given to the exploitation of our shale gas opportunities. It is unfortunate that the Labour Opposition seem to blow hot and cold on shale gas. In the Finance Bill Committee, the Front-Bench team did not seem to know quite what they wanted with respect to shale gas. I believe that shale gas opportunities in our country could create between 60,000 and 70,000 new jobs. It could create billions of pounds of extra revenue to the Exchequer, which could be invested in infrastructure, creating even more jobs. If the Opposition are serious about the cost of living challenges facing our country, they should surely embrace a resource that will help to even out the cost of our energy. The fact that they seem to refuse to do so seems to make their position illogical.

**Stephen Lloyd (Eastbourne) (LD):** Will the hon. Gentleman give way?

**Christopher Pincher:** I will not. If the hon. Gentleman will forgive me, many Members want to speak: they have things to say—or think they have things to say—and they should be allowed to say them.

In conclusion, this Queen's Speech helps my town. It drives growth, it drives opportunity and it drives forward our long-term economic plan—and we are the only Government, the only party, who seem to have one.

4.34 pm

**Fiona O'Donnell (East Lothian) (Lab):** I am grateful for the opportunity to speak in the debate. I was particularly pleased to hear my hon. Friend the Member for Streatham (Mr Umunna) set out his stall in his opening speech,

**11 Jun 2014 : Column 618**

describing what is happening to the British economy and referring to the constant refrain from Government Members about a “long-term economic plan”. The definition of “long-term” seems to have changed: we used to be told that it would take five years to get rid of the deficit, but we are not sure whether that is still the case. We have not had plan A from this Government; what we have had at best, or at worst, is plan A minus. If they had gone the whole hog and given us plan B, rather than choking off recovery in 2010 by making cuts in the public sector that were too deep and making them too quickly, some of the pain that my constituents have endured over the last four years might have been avoided.

Since we returned from the recess, I have heard the Prime Minister declare on two occasions that work is the best route out of poverty, but that is not an absolute truth. The hon. Member for Norwich North (Chloe Smith) spoke of the role of the state and her preference for the small state, and claimed that the state did not have as much impact on people's lives as other sectors. I can tell her that in my constituency, East Lothian council, which has a coalition with the Conservatives, has introduced a living wage for all workers. I confess that only a small number of workers are benefiting from that, but surely it is an example of the role of the state. Although it is absolutely right for us in the Chamber to welcome better economic news and the fact that the number of

people in jobs is increasing, we must also ensure that no one is left behind in that recovery, which is not what is happening on this Government's watch.

Back in 1997, we too inherited difficult and testing economic circumstances, but what that Labour Government did during their three terms was look out for those who needed the protection of the state and needed the state to intervene by, for instance, introducing tax credits or the minimum wage. That progress has simply not continued under the present Government.

I am glad that the Secretary of State for Work and Pensions is present, because in the short time allowed to me I want to say a little about some of those people who are in danger of being left behind. People with disabilities and, in particular, those with moderate learning disabilities fear that they will miss out on the new personal independence payment. At present they are receiving the lowest rate of the care component of disability living allowance, but those who receive it as an in-work benefit cannot sustain employment without it. It is what pays for the taxi if they do not feel able to take the bus to work. There is a real danger that those people will now find it harder to maintain employment, or to find new employment. I am not saying that we should not celebrate the good news that there is in the economy, but I am saying that we must not leave people behind in the recovery.

The same applies to exploitative zero-hours contracts. The other day I was approached in the supermarket by someone who works in the tourism and leisure sector. I think that it is indicative of something when people do not want to name themselves, or even their employers, because they are so scared of losing their jobs. This employee has been on a zero-hours contract job for two years, working the same shift patterns. He is tied into accommodation, and even his meals are provided by his employer. It almost seems like some sort of modern form of slavery when people in this country are not free

**11 Jun 2014 : Column 619**

because they rely on their employers not just for their incomes, but for the roof over their heads and the food that they put in their mouths.

The Government need to do more to protect those workers. If you—or someone like you, Madam Deputy Speaker—had been doing a zero-hours contract job for two years with the same shift patterns, surely you would have expected, long before you reached that stage, to be given a proper contract of employment giving you protection under the law, and all the other benefits of employment. We have waited so many decades to secure those benefits for workers in this country; surely they should be available to them now.

The married couple's tax allowance is the one bit of help for workers that the Government have come up with recently. However, it is another of their divisive policies, implying that certain members of society are more deserving of their help than others. The Government should recognise that a large number of people—regardless of their marital status—are missing out on the early recovery, and I urge them to do more to ensure that no one is left behind.

**4.39 pm**

**Charlie Elphicke (Dover) (Con):** I support the Queen's Speech and, in particular, the work of the Department for Work and Pensions, which is engaged in nothing less than a moral crusade, a war on unemployment, a war for work and a war to defeat poverty. We all know that the best way to cure deprivation is a job and the best way to reduce poverty is work. Today, I have heard so much from the Labour party about how the Government do not care enough about the least well-off. As Labour Members talk about the ills of everything, they remind me of Jack Frost denying the coming of spring, yet each day the sun rises that bit higher and shadows are thrown back that bit further as the economy and employment continue to improve and as unemployment continues to fall.

The numbers on poverty are encouraging, too. Let us be honest. In the previous Parliament, under the last Labour Government, poverty rose. It is falling under the Conservatives. Under Labour, child poverty rose. It is

falling under the Conservatives. Under Labour, inequality rose and it has been falling under the Conservatives. Before the crash, under Labour, 9.8% of people were reporting that they did not have enough money to buy food, according to OECD figures. Today, the figure is 8.1%. That is still too high but it is moving in the right direction. I hope that food poverty will continue to fall under this Government, who are engaged in a crusade against poverty, want and need because they believe in the power, importance and value of work, and the poverty-fighting aspects and dignity that work can bring.

Under Labour, youth unemployment rose and it has been falling under the Conservatives. Under Labour, economic inactivity—people doing nothing—rose and it has been falling under the Conservatives. Under Labour, long-term unemployment rose and it has been falling under the Conservatives. However, it is not enough. I have a vision of the future that we can build under a Conservative Government after 2015: a Britain moving further towards economic success and a work revolution, particularly through the promotion and fostering of small businesses, and through making it easier to have a

### **11 Jun 2014 : Column 620**

light-touch regulatory system where one can set up an enterprise at no cost. I hope that the small business Bill will deal with that.

It is important that we give young people a better future. Under Labour, nearly 2 million more people went into renting. Young people's futures were stolen by Labour's buy-to-let policy and its promotion of buy-to-let landlords. That was a disgrace. It was wrong that, in 2000, 2 million households were in rent and that, by the time Labour left office, about 3.4 million were in rent. That took away the futures of our young people. We should give them their futures back, so I want more action to disincentivise buy-to-letting—it is too incentivised today through the tax system—and to incentivise owner-occupation. We should give back to our young people the chance, hope and aspiration that owning one's home brings, which the previous Government took away. It was wrong. It was a shame for Labour to do that. We need to promote work for our young people. We need to promote home ownership and owner-occupation for our young people to give them those things. We need to build a society that is fairer and more just.

I have powerfully made the case for tackling tax avoidance. We must tackle want through welfare reform. We must tackle welfare tourism, too. It is important that we make our borders secure to give our young people a greater chance. For the Labour party, borders and immigration are just issues to be discussed at a coffee morning. Those issues involve the hopes, security and futures of our young people, a generation who were sold the pass by the previous Government. This Government are looking after them.

We need to reform zero-hours contracts, which the previous Government did nothing about.

**Christopher Pincher:** Does my hon. Friend agree that, although we do need to reform zero-hours contracts, only very few people on them say they do not get enough hours of work?

**Charlie Elphicke:** I agree. For me, this is about fairness and justice and ensuring there is flexibility while also protecting people. Labour did not do that, but this Government are doing it. That is very important, and social justice lies at the heart of so much of what we are doing.

We need to look after savers. There are too many zombie accounts—too many zombie ISAs, too many savers being taken advantage of. That was allowed under the previous Government. I say we should give consumers and savers a fair and just deal.

There should be more competition in the power markets, and our water bills should be fairer. I have made that case before, and I am glad to see that Ofwat has been listening and has made a stronger settlement for consumers in the 2015-20 period.

There must also be fairness and justice to our way of life. We need to make our Supreme Court supreme. We need to reform human rights legislation, which has too often gone wrong and too often promotes unfairness

and injustice. That is the kind of vision a Conservative Government could build after 2015, and it is one I look forward to.

**11 Jun 2014 : Column 621**

**4.46 pm**

**Caroline Lucas (Brighton, Pavilion) (Green):** I have tabled a reasoned amendment to the Gracious Speech because I do not believe that the legislative programme set out for this Session of Parliament puts us on track to either a stable economy or a fairer society, or for that matter a world of better quality jobs. That amendment calls for fair pay for work through a national living wage and maximum pay ratios. It calls for an end to the privatisation of public services and much else besides, but the focus of my comments today will be on the Infrastructure Bill, because one of the main benefits of that Bill is supposed to be job creation.

Of course we need more jobs, but high-carbon investment in new roads and shale gas is not the way to deliver that. There are far more job opportunities in a zero-carbon economy than in the fossil-fuelled economy that it replaces. Indeed, there are already more jobs in the green economy than in the motor and telecom sectors combined. The renewable energy industry in the UK today is a case in point, and supports over 100,000 jobs. That is not a fantasy eyebrow-raising assumption. It is what we have today: actual jobs all across the UK—and that is without even taking into account future potential.

In 2013 approximately 14,000 full-time jobs were associated with the nation's solar PV sector alone. That is pretty impressive, especially given that there were an estimated 10,000 job losses in the solar industry as a direct result of the coalition's cack-handed cuts to feed-in tariffs. These losses have been partially offset by continued job creation in the wind industry. Again, many of these will be despite anti-jobs, anti-investment policies from the coalition.

Solar is the most popular energy technology in the UK. Solar PV is also a way for individuals and communities to generate their own clean power, reducing dependence on the big six energy companies, and cutting energy bills. In April this year, two schools in Brighton switched on their solar panels.

**Mr Thomas:** Will the hon. Lady give way?

**Caroline Lucas:** I am sorry, but there is not time.

As I was saying, in April this year two schools in Brighton switched on their solar panels, while Brighton Energy Cooperative is in the process of raising funds from local people for its fifth large PV system. Yet the Government are now cutting support for large-scale solar, harming jobs and denying communities the opportunity to generate their own power from solar farms in the future.

Commenting on the UK slipping down the ranks of the renewable energy country attractiveness index for the second time in a row, to sixth place, Ernst and Young's head of environmental finance says:

“Policy tinkering and conflicting signals once again become too much for investors and developers to handle.”

In other words, this Government's policies are anti-jobs and anti-business, as well as anti-safe as far as the climate for our children and grandchildren is concerned.

The “global race” we hear so much about is getting more competitive. By early 2013, 138 countries had renewable energy targets. This Government are blocking such targets. Some 20 countries had renewable heating and cooling targets, too; we do not. Compared with

**11 Jun 2014 : Column 622**

other countries' industrial strategies and coherent policy and incentive frameworks for home-grown renewables, the UK is looking pretty poor.

So what sort of policies would we be seeing if we had a pro-jobs Government who were serious about these opportunities and willing to stand up to the vested interests of the fossil-fuel industry, whose business plans are incompatible with a safe climate? We would see the confirming and strengthening of the fourth carbon budget. We would see the ditching of the irrational crusade against a binding 2030 renewable energy target. We would be giving the green investment bank powers to borrow now in order to leverage in the large proportion of private sector investment that is needed for the UK's low-carbon economy to flourish. And we would be redirecting at least some of the billions of fossil fuel subsidies into renewable energy. We need a just transition—I particularly welcome the work that many unions have been doing on exactly how we will re-skill workers currently employed in high-carbon sectors—but it needs to happen fast. The point I want to illustrate is that the supposed conflict between tackling climate change and creating jobs is simply a political construct that suits incumbent fossil-fuel interests and very few others.

With thousands of people dying every winter because they cannot afford to heat their homes, energy-efficiency should be the No. 1 infrastructure priority for the UK. Hundreds of Brighton residents have written to me in support of the Energy Bill Revolution campaign, which calls for the Treasury to recycle carbon taxes into a national programme of energy-efficiency to ensure that homes need much less energy to heat, so that we have lower bills, carbon savings and, significantly, huge job-creation potential. We could add to that list NHS savings and, fundamentally, an end to people dying prematurely of the cold in winter. A report by Cambridge Econometrics last year found that a nationwide programme to super-insulate 600,000 UK homes a year would create more jobs than any alternative investment or tax break the UK could possibly put in place. So, this Gracious Speech is going in the wrong direction in terms of the economy, the environment and, crucially, jobs.

**4.51 pm**

**Eric Ollerenshaw (Lancaster and Fleetwood) (Con):** It is great to follow the hon. Member for Brighton, Pavilion (Caroline Lucas), and I have several comments to make about renewables. Like other hon. Members, particularly those on the Government Benches, may I say how much I welcome the fall in unemployment, yet again? In my constituency, it is now down to 2.7%. Listening to Opposition Members perhaps reinforces the Education Secretary's determination to get a new course in British modern history in our schools, so that we can have a true evaluation of Government performance in the 1950s, '60s, '70s and '80s.

There is now a feeling in Lancaster that it is a good time to do business and to set up a business. Just last week, I was opening the bright new offices of the Lancaster chamber of commerce, as it sees business developing and expanding, with a huge contribution from Lancaster university. The one thing that will kill this off for a small business that might be considering taking on one extra person or for an individual thinking about setting up their own business is the threat of an increase in national insurance and a jobs tax—or even the mention of it. I hope that Opposition Members will

**11 Jun 2014 : Column 623**

clarify what they are proposing, so that people thinking about starting a business or taking on new employees can plan what would be life-changing decisions.

I welcome the aims of the small business, enterprise and employment Bill in the Queen's Speech. It aims to foster and back the entrepreneurial spirit that thrives in the UK, particularly in the north-west; to build on the UK's reputation as a fair and trusted place to do business; and, in particular, to give further help to small businesses in accessing finance and to improve payment practices between small businesses and their customers. Hon. Members have also mentioned other measures such as getting rid of regulations and assisting businesses to get into the export market.

Fleetwood, at one end of my constituency, still has thriving fish processing businesses, which export all over the world; tons of shellfish go from Fleetwood, even to places such as South Korea. But these businesses are small, and they are in poor buildings and in poor conditions. There is the potential to bring them together in a new Billingsgate of the north, with proposals from Wyre council that would be a game-changer in terms of adding to new employment and new skills in the Fleetwood area. I am asking today for support from Ministers in guiding the council to where it can access those funds, but I am grateful to Ministers for already agreeing that parts of Fleetwood would have assisted area status. We have massive potential to build on thriving family businesses, if they could just have modern buildings and cheaper energy sources to exploit the available markets.

While on potential, which my hon. Friend the Member for Tamworth (Christopher Pincher) also mentioned, we must consider the business potential of 1,300 trillion cubic feet of potential shale gas reserves in the Bowland shale in Lancashire. May I say that the constant trumpeting of possibly thousands of new jobs does not totally wash in Lancashire, as there are yet no guarantees of how many jobs would be based locally? I am pleased that the national energy college might be sited at Blackpool and the Fylde college, which includes the Fleetwood nautical campus. If that does happen, local people might feel reassured that they could access the potential new jobs. In trying to sell this national potential, it would be good to get some clear idea of the impact on existing businesses that use water from the water table. As yet, I can find no answers about how much water will be used in this process, and what will happen to the contaminated water afterwards. This is no way to sell this potential game-changing energy business in Lancashire.

The Queen's Speech contains measures on trespass rights, which affects landowners. I personally think that that is a draconian move, and no way to sell this business. To rub salt in the wounds, the consultation paper proposes a voluntary compensation scheme decided by the companies. If we want to sell this game-changing business and its potential, we should consider what cross-party group of MPs and councils in Lancashire have requested, which is to make a bigger contribution to Lancashire. We should increase the offer of 1% of revenues to provide investment in that potential, rather than propose those draconian measures. I personally have some difficulty with that part of the speech.

4.56 pm

**Stephen Twigg (Liverpool, West Derby) (Lab/Co-op):** In a report published last week, the think-tank, the Institute for Public Policy Research, predicts that, by

**11 Jun 2014 : Column 624**

2022, there will be an additional 3.5 million jobs in medium-skilled occupations in industries where jobs require high-level vocational qualifications. The report identifies several emerging sectors with a serious deficiency of skills, including both health care and the building industry. In construction, a net increase of almost half a million jobs requiring medium levels of skill is predicted over the next eight years. That is a 40% increase from 2012. We need to prepare our present generation of young people for these jobs of the future, which is why quality, technical, practical and vocational education is so critical in this debate today.

Last year, around one in three students in this country in upper secondary education took vocational courses, and our youth unemployment is still almost one in five. I welcome the recent fall in youth unemployment, but the figure is still far too high. If we look at Germany, around half of young people under the age of 22 have successfully completed an apprenticeship, and apprenticeships are offered by around one in three companies. The youth unemployment rate is around 7.5%. The expert Tim Oates said that in 1945, the UK developed a world-class system of vocational education and then exported it to Germany where it thrives today.

My right hon. Friend the Leader of the Opposition coined the phrase, "the forgotten 50%" to describe the young people who do not go to university and whose talents are all too often wasted. That is why Labour has promised a proper, high-quality, technical baccalaureate, to recognise a structured route for young people pursuing vocational qualifications. Chris Husbands's review for the Labour party set out the overhaul that is needed.

In the Queen's Speech, there is a reference to the further expansion of apprenticeships. As my hon. Friend the hon. Member for West Bromwich West (Mr Bailey), the Chair of the Business, Innovation and Skills Committee said earlier, the headline numbers on apprenticeships simply do not stand up to scrutiny. As the Husbands review found, two-thirds of apprentices are not new job entrants but existing employees over the age of 25. Although it is right that those over the age of 25 should be able to retrain and gain new qualifications, the lack of quality apprenticeships for young people is startling.

In most other northern European countries, apprenticeships are typically level 3 qualifications that last from two to five years and include significant on and off-the-job training. In this country, the majority of new apprenticeships in recent years have not met those standards. It is crucial that we get this right. It is also crucial that we get right the quality of advice and guidance. Earlier this year, the Association of Colleges conducted a survey of careers advisers in secondary schools across the country. It found dramatic reductions in the amount of professional careers guidance on offer. A survey of pupils found that half of them felt that they were simply not well informed about the jobs available.

Let us learn from the best examples, which I know exist in communities up and down the country. Cardinal Heenan Catholic high school in my constituency is making great progress. Careers advice and guidance is built in from day one, as pupils arrive in year 7. They receive a careers passport as year 7 students, with a pack of information and advice about different employment options, and that follows them right the way through their time in the school. Every November, the whole school focuses on careers, and at the end of the month,

#### **11 Jun 2014 : Column 625**

year 7 pupils pick three careers of potential interest and make a list of who they would like to meet. That information informs the organisation of career and industry days right the way through the school. Year 8 pupils are given the opportunity to reflect on the choices they made, and in years 9 and 10 that develops further. The programme follows through right the way into sixth form. It is a fantastic way to get young people prepared in choosing a vocation, and the model could be replicated in schools across the country.

I also mention the excellent work of Future First, which seeks to build links between state schools and their alumni to offer guidance on different career paths and the world of work. It is a brilliant organisation, and it is great to see it go from strength to strength. Finally, in our focus on the forgotten 50%, we must also ensure that we continue to challenge our universities to be genuinely open to young people from all backgrounds. Our top universities still have a great deal more to do.

#### **5.1 pm**

**Mr Mark Williams (Ceredigion) (LD):** As the hon. Member for Cleethorpes (Martin Vickers) did, I apologise at the outset; following the stipulations from the Chair, my intended speech has been ditched and replaced by a more ad hoc one, although I hope to touch on one of my original points a little later.

In Ceredigion, if we took away the three largest employers—the universities, the national health service and the county council—from the employment base for my rural constituency in west Wales, we would be left exclusively with a small and medium-sized enterprise work force. It is the work force of the 600 family farms and the one and two-man bands running small businesses right across the piece that will benefit very strongly from the provisions in the Queen's Speech, not least the small business Bill and in particular the remedial proposals for prompt payment and late payment.

Some Members might have visited the Montgomeryshire day event in the Jubilee Room today, sponsored by my hon. Friend the Member for Montgomeryshire (Glyn Davies). I asked a producer of local cider where he sells his products. He used to send them to a wholesaler, but the wholesaler could not pay his bills. His late payment problems had a direct impact on the cider producer's selling of his product. The small business Bill will assist in many other ways, such as on the minimum wage.

I commend what the Government have done on the employment allowance. I can think of no more significant step to ratchet up the employment base in the small business sector than by offering that opportunity to many of my constituents. Unemployment in Ceredigion now stands at 601 people, which is a welcome figure, but no Government Member will rest on their laurels. The Government are to be commended on what they have done on rural fuel. My regret is that the rural fuel derogation does not extend widely enough to places such as Ceredigion and many rural areas in England, too, but action has been taken.

We will not rest on our laurels in responding to reports, such as “A Fair Start for Every Child” by Save the Children, which identified 200,000 children in Wales still living in poverty. To their credit, our Assembly Government in Cardiff have proposed some initiatives,

**11 Jun 2014 : Column 626**

such as Flying Start, Communities First and Families First, to assist and support families in their everyday lives and to encourage some of those parents into training activities that will help them later on seek work.

I have a particular gripe with the Assembly Government in Cardiff, because they slashed the funding to two rural Communities First projects in Ceredigion; they were excellent projects in two areas of need, the Tregaron Uplands and Penparcau. However, this Government are taking clear initiatives that will support and assist in the creation of jobs.

Madam Deputy Speaker, given that I have spent the bulk of my time speaking within the terms of the debate and the amendment, may I cite what I wanted to talk about initially, namely the proposals in the Queen’s Speech dealing with child neglect? The fact is that we will now have legislation—in clause 62 of the Serious Crime Bill—that will take decisive action in abridging the lack of harmony between action that can be taken in the family courts and civil law against the psychological abuse of children, and action that can be taken in criminal law. It closes an important loophole. Action for Children has been campaigning for that with great vigour over the years. I had the opportunity in the previous Session to have a private Member’s Bill, the Child Maltreatment Bill, which did not get beyond its First Reading. However, I am glad that the Government have listened on this issue. They have listened to the late Paul Goggins, who was among those who campaigned for years on this issue, to close a loophole so that the police can intervene—if necessary—when all other interventions have failed and take action against this most dangerous and heinous form of child abuse, namely psychological abuse.

With seven seconds to go, Madam Deputy Speaker, I thank you and the House for showing tolerance of a rather unintended speech.

**5.6 pm**

**Sammy Wilson (East Antrim) (DUP):** I start by welcoming the fact that for the 17th month in a row Northern Ireland unemployment figures have fallen. In my constituency, this time last year there were 513 more people out of work than there are today. That has to be acknowledged, although I must say that it is partly due to the hard work and pro-business policies pursued by my colleagues in the Northern Ireland Assembly, with the Finance Minister and the Industry Minister from the Democratic Unionist party. During the last year, the Industry Minister has announced 10,800 new jobs in Northern Ireland, 40% of which have wages above the average for Northern Ireland.

I have no doubt that the context in which that has happened has been partly due to the increase and the improvement in the UK economy as a whole, and I acknowledge that that is the case. However, it is important to point out that many Government policies have acted as a counter to the work done by the Northern Ireland Executive. Whether those policies are the reductions in public expenditure—reductions of £4 billion in Northern Ireland, a region that is heavily dependent on public expenditure—or the inability to get to grips with the destructive attitudes and work of banks, especially Royal Bank of Scotland and its local bank, Ulster Bank, or indeed the removal of jobs from Northern Ireland in

**11 Jun 2014 : Column 627**

the centralisation programme affecting the Driver and Vehicle Agency and Her Majesty's Revenue and Customs, all have acted as a counter.

Nevertheless, there are important things that the Government can do. I am disappointed that although the Queen's Speech refers to further fiscal and financial devolution for Scotland, there is an absence of any commitment to the devolution of corporation tax to Northern Ireland. Of course, such a commitment would have given the Department of Enterprise, Trade and Investment Minister an additional lever when it comes to trying to attract jobs to Northern Ireland.

I have only a short time to speak, but one area where I support the Government is the new direction—at least, I hope it is a new direction—on energy policy. There is no doubt that the current policy of increasing reliance on renewables has pushed up energy costs; it has cost jobs, especially in energy-intensive industries; and it has caused fuel poverty among many of our constituents. Indeed, today the National Grid Company has indicated that it is now paying firms to switch off power at times when wind speeds are low, because the renewables industry cannot cope with the capacity issues in the system. I therefore believe that the switch to exploiting the fossil fuels that we have in the United Kingdom is an important one.

It has already been estimated that the exploitation of shale gas will create between 64,000 and 70,000 jobs, many of them high-paying. Queen's University Belfast has done a lot of research which has indicated that getting shale gas out of the ground in Northern Ireland would not only have an impact on Northern Ireland's fuel security, but provide an important impetus in driving new feedstock for downstream industries, which themselves would create further jobs. I therefore welcome that Government initiative.

The second measure I want to welcome is the introduction of harsher penalties for employers that breach minimum wage legislation. We need not only harsher penalties but greater enforcement, because there is nothing more destructive of local firms than those who break the rules being able to exploit that and push legitimate companies out of business. On a related point, I believe that the Modern Slavery Bill will also play an important part. I hope that the Government will include supply chains outside the United Kingdom so that firms within the United Kingdom are not undercut by the use of slave labour in atrocious conditions in other parts of the world. We should not leave it to individual firms to check their supply chains; there needs to be legislation forcing them to do that.

All those measures will, I believe, help to create additional jobs. I hope that in a year's time in Northern Ireland we will see even fewer people on the dole and more people in productive work, and in work that pays.

**5.11 pm**

**Alok Sharma (Reading West) (Con):** I am delighted to speak in this debate on jobs and work. Despite all the doom and gloom from some Opposition Members, the long-term economic plan is working. I see that in my constituency, where since the general election overall unemployment is down by 47%—it is now 2.4% of the work force—youth unemployment is down by 65% and long-term unemployment is down by 24%.

**11 Jun 2014 : Column 628**

What do local business owners and managers—the wealth creators in our country—think about the economic recovery and about jobs? The latest Thames valley business barometer, which will be formally published later this month—it is put together by accountants BDO and consultants C8 Consulting—could not be clearer: it has recorded a staggering swing in confidence levels in Thames valley businesses, from 31% last year to 90% now. Furthermore, 82% of businesses said turnover had increased, 86% expect it to increase further in the next six months, and 71% expect to increase their headcount over the next six months. Even on the availability of finance, 37% of businesses surveyed by the barometer said that they felt that access to finance had improved. Access to debt finance is of course important, but so is access to equity finance, especially for start-up ventures.

The Thames Valley local enterprise partnership has received funds from the Government, some of which it has allocated to a growth fund. The fund is administered by a third party, with match equity funding of between £50,000 and £150,000 available. Of course that is a good initiative, but we need to ensure that we can provide more equity funding. I would like to see the Government replicate the success of their StartUp loans scheme with a StartUp equity finance scheme, with match equity funding of up to £5,000 or £10,000, mentoring support and a fast turnaround of application decisions. The StartUp loans scheme has been allocated £150 million and has helped more than 18,000 entrepreneurs. Perhaps a StartUp equity finance scheme would have similar success.

I turn now to the small business, enterprise and employment Bill outlined in the Queen's Speech. I welcome the Bill. There is a lot in it that will help smaller businesses. In particular, I welcome the fact that it will establish a deregulation target for each Parliament and introduce a new "appeals champion" to protect business against overreaching regulators. Small and medium-sized businesses do not want to be shackled by unnecessary red tape or to spend precious time and resources on it; they want to spend their time and resources building their business and creating employment.

As well as an appeals champion, I suggest that in future Parliaments we ought to have a Minister whose sole job is to look at deregulation across the piece. Ministers are helping to create new legislation every day, and it would be rather nice if at least one Minister spent all his or her time thinking about reducing the burden of regulation, particularly on businesses.

My final point is about naming and shaming employers who are not paying the minimum wage, and raising fines on such errant employers. I welcome what the Government are doing to expose the underpayers, but we need to be careful that reputable employers who make a genuine one-off error are not having their reputations tarnished unnecessarily. On Monday, I was contacted by HSS Hire Group, which employs almost 3,000 people across the UK and Ireland and has a successful training academy in my constituency. Only 20 of its employees are on the minimum wage; the rest are above it. In October last year, an error in the HSS computer system meant that the pay of 15 employees was not updated with the changes to the minimum wage made in that month, costing employees between 47p and £25 each and amounting to a total underpayment of £150.

#### **11 Jun 2014 : Column 629**

According to HSS, this administrative error, which was noticed by the company itself, was rectified within a month. HSS received an acknowledgement from Her Majesty's Revenue and Customs confirming that it was satisfied with the company's response, and was issued with a notice of underpayment some three months after the error was first noticed. HSS has since been named and shamed. The company feels that, having proactively put right a genuine admin error, this is unfair. It has made representations to the Business Department and to HMRC. I raise this case because while it is absolutely right to expose rogue employers, we need to make sure that the internal checks and balances are working before companies with a reputation to protect are named and shamed.

In conclusion, I welcome the provisions in the Queen's Speech to promote jobs and work creation, and I commend it to the House.

**5.16 pm**

**Mr John Spellar (Warley) (Lab):** I refer to my entry in the Register of Members' Financial Interest and my proud 45-year membership of a union.

Let me start by referring to the exchange that took place between my right hon. Friend the Leader of the Opposition and the Prime Minister earlier today about the transatlantic trade and investment partnership. I have to say that I was disappointed by the Prime Minister's response—not by its substance but by the fact that he did not really seem to be engaged with the issue. He offered, generously, to write to the Leader of the

Opposition outlining the Government's response to concerns about the TTIP's impact on the national health service.

There are several campaigns under way regarding people's beliefs about the impact of the TTIP. Personally, I think that many are misplaced. For example, on concerns about privatisation in the national health service, the biggest threat in that regard would not be the TTIP but the re-election of a Conservative Government at the next election. I accept, however, that those concerns are out there. Equally I accept that some of them are whipped up by those who are opposed to trade, and, even more so, viscerally opposed to the United States. None the less, these arguments have to be taken on. Frankly, there is a lack of that by Ministers or officials, and I have raised that with them directly.

This is important because it involves about half the world's GDP and a strategic transatlantic linkage of the liberal democracies and liberal economies. It has great potential for our manufacturing industry, particularly for small and medium-sized enterprises involved in niche manufacturing, many of which have great difficulty in dealing with all the paperwork of international trade—much more so than the multinationals—and would be better able to expand their business. This is an important trade deal for the future that should not be allowed to go by default. Trade deals are never easy, as many of those who have been involved in several over the years will agree. However, they are very important, particularly because if we do not have trade deals between the liberal economies, international standards will be set by economies that do not take such a view.

The essence of the success of trade depends on our capacity to produce, and Government have a very significant role in this. I will be a little more generous to the

**11 Jun 2014 : Column 630**

Business Secretary than he was to his predecessor, because I think that he has not only pioneered several issues but very much followed on from many of the initiatives taken by his predecessor, Lord Mandelson.

I also pay tribute to the Foreign Secretary, who has brought about a significant cultural change in the Foreign and Commonwealth Office, directing it more towards battling and selling for Britain. I was recently in Auckland—the England rugby team are there—taking the opportunity to sell British goods. The GREAT Britain campaign is an extremely successful brand that our incoming Government should and will continue. I accept there is a need for more communication to ensure that many small and medium-sized enterprises are made more aware of the assistance they can get.

Although the FCO and the Department for Business, Innovation and Skills are doing well, other Government Departments are letting them down. Too often, we focus on Government as legislator or policy maker and miss out on their role as a client. My hon. Friend the Member for Denton and Reddish (Andrew Gwynne) has drawn attention to what can be done in construction. However, on the purchase of police vehicles, the Home Office's framework prevents Jaguar Land Rover from competing. No other country in the world would behave like that, and such behaviour runs through a number of Departments. I could give other examples if I had time. I ask the Minister to get his colleagues in other Departments to see reality and to start behaving like officials in other countries and put the interests of British manufacturing first.

**5.21 pm**

**Damian Collins (Folkestone and Hythe) (Con):** Anyone who has listened to a number of speeches by Labour Members during this debate could be forgiven for believing that the good news about unemployment that we continue to see month on month—the 2 million jobs created by the economy, the record pace of the fall in unemployment, and more people, including more women, working than ever before—had never actually happened.

A number of Members have referenced the picture in their own constituency and I will briefly do the same for mine. More than 800 fewer people are on the unemployment register now than 12 months ago.

Unemployment has fallen by a third. In east Kent, wages are rising faster than the national average and unemployment is falling faster. We are seeing the regeneration of the local economy.

Some Members have said that nothing is being done about apprenticeships, but nothing could be further from the truth. The number of young people starting an apprenticeship in my constituency this year is more than three times the number under the previous Government. Significant strides forward are being taken and young people are benefiting from that.

I also want to take this opportunity, in front of the Secretary of State for Work and Pensions, to thank a group of people who do not get thanked enough, namely the staff at Jobcentre Plus in Folkestone. They are dedicated to what they do and work very hard with employers and people who are looking for work, particularly young people seeking apprenticeships and work placements. There will always be cases that we as Members of Parliament will take up with jobcentre teams, but they are a dedicated and hard-working group who are doing their best for people and we are seeing the result, which is fast-falling unemployment.

### **11 Jun 2014 : Column 631**

If Members were to stand in the middle of my constituency—this is certainly true of Folkestone—they would be considerably nearer to the coast of France than to the House of Commons. It is interesting, therefore, to reflect on the difference between the employment picture in Folkestone and that in Boulogne, with which we have been twinned for many years. Many Labour Members have suggested that if the Government had taken a different course—such as borrowing more money or taxing more heavily—perhaps things would have worked out even better, but the French economy gives us a live example of what might have happened. The unemployment rate in Folkestone is 3.4%, but in Boulogne it is more than 15%. The average hourly wage in Folkestone and Hythe is £12, whereas in Boulogne it is £9.

If we look at the performance of the British and French economies, we will see not only that unemployment here is lower, but that the rate of business start-ups here is significantly higher. Earlier this year, I was interested to read in *The New York Times*, which is not exactly famed for being a tribune of the hard right—it is a fairly liberal, moderate newspaper—an article called, “Au Revoir, Entrepreneurs”. It looked at the growing trend of people moving from France to the UK to set up their own business, and quoted Guillaume Santacruz, who explained his thinking:

“A lot of people are like, ‘Why would you ever leave France?’ ...I’ll tell you. France has a lot of problems. There’s a feeling of gloom that seems to be growing deeper. The economy is not going well, and if you want to get ahead or run your own business, the environment is not good.”

When asked why he had chosen to come to the UK, he said:

“I asked myself, ‘Where will I have the bigger opportunity in Europe?’ ...London was the obvious choice. It’s more dynamic and international, business funding is easier to get, and it’s a better base if you want to expand.”

I am pleased to hear anyone tell such a story about their reasons for coming here.

**Mr David Ward (Bradford East) (LD):** In the short time available to the hon. Gentleman, will he, as the chair of an all-party group that covers the textile industry, say what a great news story the renaissance in UK textiles is?

**Damian Collins:** The hon. Gentleman makes an important point. Textiles is becoming one of the great renaissance industries, with British textile businesses and manufacturing centres winning contracts back from the far east, creating high-quality jobs here and supporting the fantastic British fashion industry. That is one of the great success stories.

The shadow Secretary of State spoke about picking winners and having a positive industrial strategy. We see that nowhere more clearly than in the creative sector in this country. The recovery in textiles is such an example, but the Government's programme of tax credits for film, animation and television production—now extended to theatre production as well—is bringing more work not just to England, Scotland and Wales, but to Northern Ireland, where it is a very important part of the renaissance of the Northern Ireland economy.

The Opposition amendment requires a bit more attention, which the Secretary of State for Business, Innovation and Skills gave it in his speech, because the Labour

**11 Jun 2014 : Column 632**

party is once again presenting itself as the champion of a great cause, without having any real answers for the problems it identifies. In its amendment, Labour does not propose the adoption of the living wage as the minimum wage—it is largely proposing exactly what the Government are doing, which is to encourage the Low Pay Commission to consider increasing the minimum wage faster than average earnings—and does not propose to mandate any changes, while it includes the caveat that the Low Pay Commission is still free to disregard Labour's advice and do what it wants.

On the basis of the amendment, Labour is somehow seeking to present itself as a party with a very different policy. It does have different policies on tax and spending, which are those that got the economy into the mess it was in. Our policies are leading to a renaissance in work, employment and business start-ups, and they are also delivering a fairer deal for the low-paid, both in increasing the minimum wage ahead of the rise in average earnings and in cutting taxes for low-paid people in work. That is a much better model to follow.

The future is incredibly bright for business and job creation in this country. The very large number of people who, as we come out of the recession, have decided to set up their own business, start up on their own and invest in themselves and their community is a sign of the great underlying health of the economy today.

**5.27 pm**

**Paul Blomfield (Sheffield Central) (Lab):** During the past year, I have been pleased to work with colleagues from both sides of the House in seeking, with some success, to regulate payday lenders. Going beyond such regulation, however, we need to ask why people turn to high-cost credit and what we can do about it.

Christians Against Poverty has recently reported that 80% of its advice service users have taken out loans for food, 52% for fuel bills and 36% for rent and mortgage payments: food, heating and housing—the cost of living. There are two sides to the problems in that not only are costs rising, but incomes are depressed. My right hon. Friend the Leader of the Opposition was right to say last week:

“It is a basic belief of the British people that if you work all the hours God sends, you should at least be able to make ends meet.”—[*Official Report*, 4 June 2014; Vol. 582, c. 16.]

That is not happening today in Britain, one of the richest countries in the world.

Some 47% of those who visited Citizens Advice with a payday loan issue in the past quarter are in work. There has been a staggering 60% increase in the number of working people claiming housing benefit since the Government were elected. According to a recent Church Action on Poverty report, much of the increased use of food banks has been by working people on low wages. Our economy is simply not rewarding hard work.

Over the last generation, there has been a shift of between 5% and 7% of GDP from wages to profits and from profits to shareholders—quite deliberately—by weakening the bargaining power of working people. We are now seeing the consequences: for too many people, part-time employment has replaced full-time work; the minimum wage has become the norm, not a safety net; and the security of income that people look for has been replaced by the uncertainty of zero-hours contracts.

**11 Jun 2014 : Column 633**

Employers are looking for every opportunity to drive down labour costs. A care worker who came to see me was paid the minimum wage for the time she spent with the elderly, but was paid nothing as she spent hours driving from one appointment to another. People have come to see me about zero-hours contracts that make it impossible for them to plan their family budget from week to week.

Growing impoverishment is not the only consequence. Public funds are increasingly being used to prop up a low-wage economy. Social security spend on in-work benefits has risen by almost 20% in 10 years. Taxpayers' money is being diverted from funding public services to paying dividends and feeding the growing income inequality.

People deserve better. They need a Queen's Speech that stimulates the growth that will create better-paid jobs through an active industrial strategy, backed by a British investment bank and regional banks, and by building the homes that we need. We need to make work pay by strengthening the enforcement of the national minimum wage and giving local councils the responsibility of taking on that task. We need action to end abuses such as the non-payment of travel time, which affects about 10% of care workers, according to the Low Pay Commission. We need to end bogus self-employment in sectors such as construction. We need to reset the remit of the Low Pay Commission to increase the national minimum wage significantly and bring it closer to average earnings. We need to stop wage rates being undercut by employers who recruit exclusively from eastern Europe. We need to end the abuse of zero-hours contracts by giving workers the right to proper contracts that reflect their actual working hours. We need to work towards a living wage by building on the initiatives of the Labour councils that have implemented it for their workers, using the levers of public procurement to encourage more employers to pay it, and putting in place tax breaks to encourage more employers to adopt it.

I started my comments by welcoming the action that the House has taken on payday lending, but let us not just deal with the symptoms; let us tackle the sickness at its source. We need bold action to make our economy work for the many, not for the few. The Gracious Speech falls short of that mark.

**5.32 pm**

**Chris White (Warwick and Leamington) (Con):** I am pleased to follow the hon. Member for Sheffield Central (Paul Blomfield), but I support the Gracious Speech and, in particular, the measures that will support the continued creation of jobs.

Warwick and Leamington is home to a thriving local economy. The Government's pro-business policies have provided significant help in achieving that and I pay tribute to local businesses for their part in it. More supportive policies were announced in the Queen's Speech, such as the small business, enterprise and employment Bill, which will undoubtedly add to the climate of business confidence and expansion. Small business rate relief and the reduction in and, in some cases, removal of employer's national insurance contributions are but two examples of the many Government policies that have supported business growth over the past five years.

**11 Jun 2014 : Column 634**

There is clear evidence of that growth in my constituency, where the number of out-of-work claimants has reduced by a staggering 59.5% since April 2010. Further proof of business confidence came to light just this week in a report from the business consultancy, Duport, which showed that a record number of companies were formed in Leamington Spa in the first quarter of 2014. From January to March, 205 new companies were registered in the town, which represents a massive 31% increase on the previous year.

My region has a proud industrial heritage. It has been home to iconic brands such as Aga Rangemaster and Dennis Eagle for many years. It is now the destination of choice for companies such as Vitsoe and First Utility.

Vitsoe offers a particularly apt example, which sums up this renaissance. The old Ford foundry, which manufactured on the same site for many years in Leamington, closed in 2007, with the tragic loss of many hundreds of jobs. In 2013, furniture manufacturer Vitsoe was looking to relocate its factory and, earlier this year, it was confirmed that it would take over the old Ford foundry site, again confirming that we are a destination for manufacturing.

The area also attracts new industries. Leamington is home to a thriving creative industry, with many digital media and video games manufacturers now calling the town home—to the extent that the area is now commonly referred to as “Silicon Spa”. It acts as one of the global hubs for the games industry and the jobs that creates.

Despite those positive and encouraging developments, I would be the first to admit that there is more still to do. There are two key areas to focus on to achieve this. First, we need to continue to rebalance the economy by supporting our manufacturing sector and the jobs it creates. There is great positivity in the manufacturing sector, with UK manufacturing activity increasing for the 15th successive month. However, we can do more as a Government to support the sector and ensure that it continues to thrive.

The Government have already demonstrated their commitment to supporting UK manufacturing and to encouraging a re-shoring of industry, as evidenced by the measures in this year’s Budget, including reducing operating costs and providing affordable finance options, which will encourage investment and export.

Secondly, we should do more to encourage the developing social enterprise sector. We need to support these businesses, which contribute to society as much as they contribute to the economy and jobs. As a Government, we need to have a greater understanding of the culture behind those businesses and increase the recognition that this part of the economy receives.

Support for business, through well designed policies, will create an environment that supports growth and jobs.

**5.37 pm**

**Simon Danczuk (Rochdale) (Lab):** Let me start by saying that I found the comments of the hon. Member for Warwick and Leamington (Chris White), particularly about manufacturing, of real interest.

As the economy recovers, we have a genuine opportunity to think about how we are shaping it and about how Britain succeeds in the modern world. My view has

**11 Jun 2014 : Column 635**

always been that Britain succeeds when its small businesses succeed. It is the Government’s job to get behind small business and create the conditions for British SMEs to thrive. I therefore welcome the inclusion of a small business, enterprise and employment Bill in the Gracious Speech. I hope that it will offer an opportunity to have a serious discussion about some of the very real challenges that face small business in Britain.

Having recently set up a small business in Rochdale—Danczuk’s Deli, for which I declare an interest—I can testify to how real some of these challenges are. Whether it is access to finance, late payments or being shut out from the tendering process for local procurement contracts, too many small businesses feel that Government do not always give them the proper level of support.

I have two important concerns. The first surrounds aspects of the small business, enterprise and employment Bill where I do not feel the Government are showing the necessary ambition to tackle the big challenges. For example, the Government talk about increasing access to finance, but they are unclear about what they actually intend to do about it. This country needs an ambitious programme based around regional investment banks aimed at getting banks lending to businesses again. In Germany, where thriving SMEs form the backbone of economic success, nearly 2,000 institutions lend to small businesses. In the UK, fewer than 400 do

that. Any Government that are serious about tackling this issue would start by reforming the banks. My first concern is therefore about a potential lack of ambition in the Bill.

My second concern is that the Government still have their head in the sand on business rates. I guarantee that at any event with people from the small business world, the subject of business rates will be raised pretty quickly. Business people think the system is broken, and they rate that as their No. 1 concern. They are right to be angry about it.

The business rates system is based on a view that the profitability of a business is linked to the physical size of the premises. That is complete madness in the modern world where many businesses trade online with no physical shops or factories. When we add to that the ridiculous and arbitrary valuation system, we have one of the most unfair and ineffective systems of taxation that can be thought of. The Gracious Speech is a final indication that reform of business rates has been kicked into the long grass for the foreseeable future. If the Government are not prepared to act, will they please give up the empty rhetoric about business rates?

Finally, we need a serious discussion about some of the other proposals in the Bill and how they will work in practice. For example, Jill Nagy from Rochdale Training in my constituency has raised concerns about how the new apprenticeship arrangements will work. She feels that those arrangements will push more bureaucracy on to employers and take it away from training providers, which could cause problems for SMEs hiring apprentices. That is a real issue that could create more bureaucracy and red tape for small businesses, and we need to look at it again.

I hope that many of these issues can be ironed out during the year, and that the small business, enterprise and employment Bill will give us the chance to push for more action on access to finance and business rates reform. Small businesses in this country are all different,

**11 Jun 2014 : Column 636**

but they are united by a sense of ambition and optimism about the future. It is time for the Government to match that ambition.

**5.41 pm**

**David Rutley (Macclesfield) (Con):** It is an honour to follow the hon. Member for Rochdale (Simon Danczuk). As always, he speaks with conviction and commitment, and I know he works hard on behalf of his constituents and for the north-west. It is good to speak in this debate and recognise the progress being made on the economy nationally, and indeed in Macclesfield. Many Conservative Members have recently also seen how well things are going in Newark, and it was great to recognise and honour our new colleague in the Chamber today.

In my work I am constantly inspired—as, I am sure, are many other hon. Members—by the great work that goes on in my constituency with volunteers, dedicated town and parish councillors, Cheshire East councillors, and public servants. Today, however, I wish to recognise the inspiring work of many small and medium-sized businesses and self-employed people who are making a huge difference to our local economy.

Debbie Quinn is one of the inspiring people who set up our community treacle market. She then went on to set up a small restaurant, the Salt Bar, which was featured on “The Restaurant Man” on the BBC. She has now helped revitalise the castle quarter in Macclesfield. Yes, that is for profit, but my goodness is she making a contribution to our economy as well. She came to a recent jobs fair with me and we spoke to lots of small businesses. She is already taking on more apprentices—that is the dedication that individuals can have.

I recently visited a local business, Silkmoth, which was set up by a few people and now totals 13 employees. It services 700 independent tyre fitters across the country and provides a platform for them to do e-commerce and online business. That is the sort of contribution that such businesses make, along with other fantastic businesses such as musicMagpie, which has recreated a whole segment of activity by recycling DVDs, CDs and

computer games in a massive market. It now employs more than 800 people, with sales in 2012 at £63 million—an incredible achievement. That is the sort of difference such businesses can make, and increasingly they come to me and thank me for the contribution and work of this Government in setting a framework in which they can thrive and succeed.

Earlier in the week it was encouraging to go to a reception by the Federation of Small Businesses here in the House and—other Members may have noticed this—hear its national chairman speak about having had a bumper year, and the way it has been able to influence Government policy and engage with other political parties. It says that it regards the small business Bill as a landmark Bill, and it is a landmark Bill because it will build on the Government's work in the Finance Bill and the national insurance contributions Bill, which featured in the Queen's Speech. Together, they will make a difference to the lives of the people who will help to transform our economy even further. The entrepreneurs, employers and exporters are the people who will help to create sustainable economic growth.

It is worth touching on the contribution that is being made by the self-employed. We are helping the growing band of first-time entrepreneurs by cutting back red

#### **11 Jun 2014 : Column 637**

tape. The small business Bill will ensure that red tape is reviewed frequently and that that requirement is put into law. The national insurance contributions Bill will simplify the collection of national insurance for the self-employed, removing one of the barriers to taking on the opportunity to become self-employed. I feel absolutely passionately that we need to do more to encourage first-time employers. We have done that already with the employment allowance, reducing national insurance contributions and taking under-21s out of national insurance entirely. We need to build on those opportunities by removing more barriers. It is critical that the small business Bill strengthens existing prompt payment codes, helping small businesses to have a better deal in their interactions with bigger businesses and greater access to public procurement. It will also ensure, as other Members have mentioned, that sources of finance and advice on finance will be more available to them, too. I agree with the Federation of Small Businesses that this is a landmark Bill.

This is an important Queen's Speech that will help many more businesses to succeed in their activities. It is further progress in our aim to have successful and sustainable economic growth under the long-term economic plan. For those reasons, I support wholeheartedly the Queen's Speech.

**5.46 pm**

**Kerry McCarthy (Bristol East) (Lab):** I have been contacted by many constituents who are disappointed by the Queen's Speech, not just by its broad failure to tackle the real economic and social problems they face, but, in particular, its failure on recall and the inexplicable omission of a Bill to ban wild animals in circuses.

Today's debate is about jobs and I want to start by talking about the prevalence of low pay—and, indeed, no pay—in one of the fastest-growing and most successful sectors of our economy: the arts and creative industries. I speak here as chair of the all-party group for the Performers Alliance, which works with the Musicians Union, Equity and the Writers Guild to provide a voice in Parliament for musicians, actors, writers and performers.

The headline figures on the success of our creative industries are impressive, but they mask a situation in which those with talent and creativity often go unrewarded. Equity's most recent survey of members found that virtually half earned under £5,000, and 86% earned less than £20,000 a year. Similar research by the MU demonstrated that 60% had worked for free in the past year. We must get a grip on this situation to ensure that work in this sector does not become the preserve of only those from privileged backgrounds, as is increasingly the case.

The all-party group's report, "Work Not Play" sets out what action is needed, such as clear industry-specific guidance on the national minimum wage on the Gov.uk website. That is something Equity and I discussed with

the then Minister with responsibility for employment relations, the hon. Member for East Dunbartonshire (Jo Swinson), back in October. We will keep pressing the Government on this matter.

As the Secretary of State for Work and Pensions is in his place, I will take the opportunity to highlight Equity's concerns that the roll-out of universal credit

**11 Jun 2014 : Column 638**

will prove extremely detrimental to the ability of many of its members to sustain careers in the creative industries. Many will be assumed to have an income they simply do not have, as a result of the application of the minimum income floor, or subject to increased conditionality. This is why Equity is calling for a reduction in the minimum income floor and a relaxation in conditionality for creative industry workers. The creative industries are characterised by unpredictable and short-term patterns of work, and the system must acknowledge that.

I want to talk about the need for action against unscrupulous—or perhaps, to be generous, unwitting employers—who profit from the exploitation of workers both here and abroad. We have heard how the failure to pay the minimum wage and the use of zero-hours contracts have undercut the wages of workers in the UK, and I fully support my party's efforts to push the Government further on tackling such abuses. There is much more to be done, particularly in relation to company supply chains.

We have heard horrific stories in this Chamber before about the use of trafficked, child and forced labour. According to International Labour Organisation estimates, there are 21 million victims of forced labour around the world, working in unimaginably harsh conditions for little pay or enslaved for no pay at all. People will have seen today's coverage of the Environmental Justice Foundation's report, "Sold to the Sea", which documents the severe conditions in the Thai fishing industry, where, it is said, men are

"bought and sold like animals,"

held against their will, abused and even murdered. An investigation by Finnwatch into Thai factories also revealed forced and child labour, illegally low wages, excessive working hours, abuse by managers and unsafe working hours.

Such factories form part of the supply chains for European companies. As Anti-Slavery International has said:

"If you buy prawns or shrimp from Thailand, you will be buying the produce of slave labour".

I know that the Modern Slavery Bill is being introduced by the Home Office, and I welcome it, but the Business Secretary clearly has a strong interest too in ensuring that British companies and British consumers do not support the exploitation of workers in that way. I urge him to talk to his colleague the Home Secretary about whether the Bill can be strengthened to legislate against slavery in the supply chain. The EU imported over \$1 billion-worth of seafood from Thailand in 2012, so I would also ask the Business Secretary to raise these issues in the EU's free trade agreement negotiations with Thailand, which is in his remit too.

Given more time, I could talk at length about other examples of the exploitation of workers by unscrupulous employers, whether it be one individual taking advantage of another's vulnerability or the systematic exploitation of hundreds of workers by huge companies. We need a fundamental shift in power and a Government who stand up for such workers—in whatever industry or, indeed, whatever country, because in today's global economy the exploitation of workers abroad has an undoubted impact here—using whatever international mechanisms we have at our disposal, such as the ILO, to

**11 Jun 2014 : Column 639**

ensure that everyone gets a fair deal. The Government have singularly failed to step up to the plate so far. I hope they will do so now.

5.51 pm

**Graham Evans (Weaver Vale) (Con):** It is a pleasure to follow the hon. Member for Bristol East (Kerry McCarthy). She made some important points, which I agree with, about modern-day slavery.

It is a pleasure to have my chance to speak about my constituency of Weaver Vale, and jobs and work. I am aware that I have spoken a number of times about my jobs and apprenticeship fairs. This is the third time that I have mentioned my third annual jobs fair, of which colleagues have been very supportive. However, if I keep this pattern up, I suspect that my colleagues will be slightly less tolerant when I hold my fourth jobs fair, next year.

The reason why I raise employment in the House so frequently is that I understand that it is not about just boosting economies, ticking boxes or quoting statistics. I left school at 16 with few qualifications and I spent some time unemployed, so I understand that employment means so much more than being a statistic on a piece of paper. This is about confidence, getting up in the morning and people knowing that they are in control of their own future. When we think of employment statistics, we should think not just of the big picture—although of course that is important—but of how lives have been changed because of new-found vocations.

So what is the outlook for Weaver Vale? I am exceptionally proud that my constituency is a real success story. Since 2010, unemployment has dropped by 30%, to a claimant rate of 3.1% for jobseeker's allowance. There are 749 fewer jobseekers than a year ago, and youth unemployment has dropped by 41% in the past year alone. What has caused such a dramatic improvement in the outlook for my constituents? Of course, a number of factors have contributed to this success story. First and foremost, as I have mentioned occasionally in the past, the long-term economic plan is working. This country's recovery from the biggest budget deficit in our peacetime history and the deepest recession since world war two is fast and getting faster. Britain has set out to the world that it is a great place to do business. International and national confidence in our economy is high. Confidence translates into investment. Businesses are therefore expanding to create more jobs. Britain is open for business and everyone knows it.

The second factor is local investment projects, such as the Mersey gateway bridge—representatives of which were in attendance at my jobs fair—and the regeneration of Northwich town centre, which are creating hundreds of construction roles and thousands of permanent jobs. Such projects identify the local need and are being maximised to create bright new prospects across a huge range of vocations. I look forward to continuing to work with jobseekers and employers alike as those projects develop.

Finally, I should like to mention employment skills. At my jobs and apprenticeships fair, I welcomed employment support organisations and apprenticeship schemes to help people to develop the skills they need. Waitrose recently opened a store in Northwich, creating 151 roles as a part of the regeneration of the town centre. I am very pleased that Northwich shoppers now

**11 Jun 2014 : Column 640**

have more choice in their weekly shop and that numerous charities and community projects, such as the ArtWork gallery, are receiving support from the store. However, what is even more important about the opening of this store is the fact that 45% of the staff were unemployed before being offered their role. A further one in five roles were offered to people working fewer than 16 hours a week.

Last month, I was delighted to welcome the Chancellor to Northwich to see the regeneration, to meet staff and to learn about their stories. Waitrose collaborated with a number of local organisations, including Cheshire West and Chester council, the Northwich jobcentre and Mid Cheshire college, which works with local jobseekers, tailoring its training to make them perfect candidates for the roles. This is a great example of local bodies recognising the need for candidates and the need for jobs, and identifying the skills required to match up to those needs. In truth, this is the most important aspect of the upturn in employment statistics. It is about showing individuals the skills that they have already, helping them to discover new skills and finding the right role for them. That is also why I believe apprenticeships are so important; they nurture vocational skills.

I am very pleased that the number of apprenticeships in my constituency has risen by 27% over the past three years—a statistic that I expect to rise even further next year, thanks to the excellent work of Mid Cheshire college and the ambitious 100-day apprenticeship challenge of the *Northwich Guardian*. I am proud that the outlook for jobseekers in Weaver Vale has improved so markedly since I became a Member, and I will continue to run my jobs fairs to bring together training, talent and opportunity, because I believe that every job filled is a success story to be proud of.

5.56 pm

**Roberta Blackman-Woods (City of Durham) (Lab):** I am pleased to have an opportunity to participate in the debate. I hope to demonstrate that many of the measures in the Gracious Speech fail to address the real issues facing my constituency.

The north-east demonstrates many aspects of a successful knowledge-based economy, with a highly skilled and motivated work force. Our manufacturing industry alone is worth £7.5 billion to the economy, and we have a strong and successful advanced engineering sector, as well as leading the way in low-carbon technology and sustainable energy solutions.

The north-east has some key competitive advantages to enable further rebalancing and job creation to happen, if only opportunities can be unlocked. Labour recognised that when in government, and our regional development agency, One North East, was working very successfully to build on this unique skills base. Regrettably, this approach was lost when the Government abolished the regional development agencies without giving thought to the consequences of losing their skills in job creation and attracting jobs to the area.

Lord Adonis's "North East Independent Economic Review" report recently made proposals to boost exports and supply chains and co-ordinate inward investment activities. In many ways, it sought to put back together some of the functions once carried out by the regional development agency, but with a fresh purpose and momentum. Unfortunately, there is no sign whatever

**11 Jun 2014 : Column 641**

that the Government will act on this report. Indeed, they have no proposals at all to intervene in an economy that needs to deliver more jobs—something that Labour did very successfully. It worked very hard to attract Hitachi to the region, and it looks as though we will gain more than 5,000 jobs in the next few years. Labour also supported Nissan through the recession, so that more jobs and skills could be developed, and we also developed the supply chain. My point to the Government is that that simply could not have happened without intervention—something that we do not have from them at the moment.

There is a real contrast between all that under Labour and having a local enterprise partnership in the area that is barely functional—it does not have a chief executive or even a deputy chief executive at the moment—and a regional growth fund that operates a scattergun approach. Most of the money allocated to the region is not drawn down in any case. According to a recent report by the National Audit Office, most of the funds remains unspent, while the cost of creating jobs has increased considerably, but Ministers are taking no action to tackle this set of concerns.

This is not only about the number of jobs created; it is about the quality of jobs on offer, too. Work must pay. The northern TUC has raised the important issue of the nature of the jobs being created in the region. Many are precarious and based on zero-hours contracts, and we risk losing valuable, high-quality public sector jobs in the region, with poor private sector replacements. A good example is the Government's proposals to privatise the Land Registry. Those jobs are currently good-quality public sector jobs, but we risk their being downgraded through privatisation. Under the present Government, about eight out of 10 new private sector jobs have been created in the south of England. It is also worrying that the number of business start-ups in Durham has fallen by 14%, compared with a national fall of 1% in the first quarter of the year.

This is not only about finding work; it is about what happens to those who are receiving low pay. My constituency is among the 10 areas that are suffering the most from the bedroom tax, which is causing households to lose about £482 a year, resulting in a reduction in local spending power. Wages in the north-east are about £50 a week lower than the UK average and about £200 a week less than wages in London. Therefore, in the retail sector, people in the north-east are spending 10% less than people elsewhere in the country. The Government must do more to rebalance the economy, and take account of issues relating specifically to regions such as the north-east.

6 pm

**Mr Gareth Thomas (Harrow West) (Lab/Co-op):** One of the critical drags on the creation of decent, well-paid jobs is the continuing difficulty experienced by both small businesses and ordinary households in gaining access to affordable credit. I wait with interest for details of the measures in the small business Bill, but I fear that they will not go far enough.

A number of United Kingdom-based experts with knowledge of small business lending have suggested that part of the problem is the wide disparity within and

**11 Jun 2014 : Column 642**

between different parts of the UK in obtaining access to business finance. For years, as a result of a package of legislative measures known colloquially as the Community Reinvestment Act, banks in the United States have had to disclose where they are lending by postcode and the type of lending that they offer and to demonstrate, to secure banking licences, that they are offering a service in all the areas from which they take deposits. There is also organised scrutiny of the data that they disclose, so that policy makers can locate the gaps in access to credit. In parts of America where lending is low, banks work closely with alternative lenders of finance such as community banks to address the shortage. In the absence of a similar regular disclosure of lending data, the Government, local enterprise partnerships, local authorities and community banks in this country are working with one hand tied behind their backs in trying to understand where further support is needed to provide proper access to credit.

It is true that in January, following sustained pressure from Members in all parts of the House, banks published data showing lending to businesses and personal lending by postcode, as a one-off, but I understand that no organisation has yet received funds that would enable it to carry out a comprehensive examination of those data, and it is not clear how regular further lending data disclosures will be. There is no legal requirement for UK banks to release such data—it is still voluntary—but I hope that we may yet see such a requirement in the small business Bill.

Concern about lending to businesses is mirrored by concern about the existence of lending deserts in personal finance. The number of bank branch closures has increased over the past four years, and, as we heard from my hon. Friend the Member for Sheffield Central (Paul Blomfield), a growing number of communities with no bank or alternative banking facilities are being forced to turn to high-cost sources of credit such as payday lenders.

I asked the Financial Inclusion Centre to take an initial look at the lending data for London. It concluded that there did appear to be a postcode lottery, with significant variations between levels of lending. There are, for example, areas of London in which lending to small and medium-sized enterprises drops to between a quarter and a third of the London average. A better understanding of the differences in personal lending between communities might help to ensure that efforts to expand credit union coverage and membership were directed more effectively. I should have liked the Queen's Speech to contain further measures to accelerate awareness of credit unions as a cheaper source of personal credit. The inclusion of a clear cross-Government target of increasing the number of members and enabling local authorities, housing associations and employers to encourage credit union membership might have been useful. Similarly, a legal right to allow employees to have deducted at source a small part of their income for saving with a credit union would have been helpful.

I am disappointed that there are no measures in the Queen's Speech to tackle the growing crisis in the NHS. In my constituency, there are problems at Northwick Park hospital. Our A and E department is under significant pressure; it is one of the worst in terms of meeting the target to see 95% of A and E patients within four hours. My constituents are inevitably worried about the Government's decision to close the nearby Ealing hospital A and E department and about the disclosure that the

**11 Jun 2014 : Column 643**

hospital board thinks that an additional 123 beds are needed on the Northwick Park site to deal with the pressures. I have not yet seen any evidence that the Government will meet the demand for finance to deal with that issue. I hope that that will be corrected soon.

**6.6 pm**

**Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op):** I am grateful for the opportunity to make a brief contribution in the debate. It is a pleasure to follow my hon. Friend the Member for Harrow West (Mr Thomas), who made a powerful case. My hon. Friend the Member for Streatham (Mr Umunna), the shadow Secretary of State, outlined a range of issues on which the Government could have acted to deal with the cost of living crisis and to support the small business sector. A couple of points have been raised with me by small businesses in my community, and I make a plea for joined-up government to deal with them. However, one thing struck me during the debate on zero-hours contracts and the variability of the hours that people work. I recently met a woman on the doorstep who said, "I am working part-time. I am trying to do my best. I have two children, and if I get extra hours it costs me £15 an hour for child care. I earn £7 an hour." That is the reality that many people face.

We regularly hear pleas about red tape from the small business sector. Some Members have mentioned that, but I have not yet heard anything from the Government about which particular bits of red tape they may want to slash in the coming Bill. In an attempt to be helpful, as always, I will mention some that my constituents have suggested. Unlike some Members, I would not suggest cutting red tape in a way that would impede our ability to ensure safe working environments. My constituents' suggestions are about the collection of statistics. One constituent told me in an e-mail:

"We currently 'have' to take part in the Monthly Business Survey, the Annual PRODCOM (UK Manufacturers Sales by Product) survey, the Business Register and Employment Survey, and the Annual Survey of Hours and Earnings, fifteen surveys per annum."

That is from a very small business that employs local people and contributes to the local economy. However, for some reason it seems to be locked in: once the ONS gets hold of a small business for surveys, it never gets out of that cycle. It is unclear how small businesses are selected for those surveys.

I understand that 26 businesses in my constituency have to complete these surveys during the year. Another two businesses have contacted me. One is a small business that manufactures ice cream. It cannot not understand why it was asked to complete a very lengthy survey and threatened with legal action and penalties if it did not do so. After pursuing the issue, it turned out that the business was being asked to complete the wrong survey. When we looked at this further, it seemed that, despite all the threats that made to small businesses, very few people actually end up being pursued. I wonder how much it is costing the Government to pursue this, rather than slashing the so-called red tape facing businesses.

On the same issue, a businesswoman who runs a local garage explained to me that she had queried the form she was being asked to fill in because it did not make any sense in relation to her business, and she received an acknowledgement that perhaps it was not the right form. The Cabinet Office, which has responded to me,

**11 Jun 2014 : Column 644**

and the BIS and DWP teams may want to try to ensure that we do something practical and sensible and bring forward specific proposals that will help such small businesses in my constituency.

I want to make a final plea on business lending. Notwithstanding everything the Government say, businesses in my constituency are still telling me that it is impossible to get the funding they need to get people into jobs and make the contribution to the local community that they want to make.

**6.10 pm**

**Ian Lavery (Wansbeck) (Lab):** Having sat here for the best part of six and a half hours listening to the discussion of various issues to do with the Gracious Speech, I have to say I am not surprised that many people outside the Westminster bubble feel disenchanting with politics. We have seen from the Government Benches that the fine and dandy politics shines through—Government Members have explained to the people who will be listening to this—and who perhaps read reports—that life in the UK is fine and that everybody is doing marvellously, but that simply is not the case.

People are right to sit back and be offended by politicians who continually ram that down their throats, suggesting that their life is fine and their families are fine and they should not complain and they should know their place. We live in food bank Britain, yet the fine and dandy politics of the coalition suggests that that is a good thing—it shows community spirit; it is not because people need to eat food to live. The fact that there are more working people at food banks than there are people who are not working is apparently the big society, and it is to be celebrated. Try telling that to people who actually attend the food banks.

We discussed zero hours for a lot of hours today. Different people have different views. The fine and dandy politics of the coalition simply says, “Well, we’ll look at zero-hours contracts, but listen: people should be happy that they’ve got zero-hours contracts. It’s a job. They’re not unemployed, and it doesn’t matter that they’re not making a halfpenny in a week. It doesn’t matter that you haven’t got any protection in the workplace. Be happy because you’ve got a job and you’re not unemployed.” That is rubbish. Try telling it to the young man or woman or the family who are on zero-hours contracts and cannot control their lives. Try telling the agency workers who are being exploited. Try having a look at the situation they are in. Instead of telling everybody that life is brilliant, we should be looking at trying to restore some justice to ordinary people in this country.

I am terribly upset by what went off today, because Members have simply been suggesting that we live in utopia, and saying, “This is happening and that is happening and it’s fantastic, and that’s what we’ve delivered, and you’re scared to talk about it,” while at the same time we have got people suffering greatly in our constituencies. We have child poverty, pensioner poverty, fuel poverty and food poverty, and people relying on handouts—not benefits but handouts—to make a living, put bread on the table and clothe their kids. That is what we should have been addressing in the next few months, in the road to the next general election. People are saying that this is a zombie Parliament. Of course it is, but it is not as if we have not got things to talk about and people to deliver for.

**11 Jun 2014 : Column 645**

The Bills in the Queen’s Speech, which we will be dealing with for the next six, seven, eight months, contain nothing that will deliver for many of the people in our communities who are desperate and do not live with rose-tinted spectacles on. They are desperate for some help from politicians from all sides. That is what we are here for— we are here to represent the people in our communities—and it is about time that people in this place realised that the Westminster bubble is completely different from other parts of the United Kingdom. My view is simply that we need at all times to remember where we come from, where we want to be and who we represent.

**6.16 pm**

**Mr Iain McKenzie (Inverclyde) (Lab):** It is a pleasure to follow my hon. Friend the Member for Wansbeck (Ian Lavery). The Government claim this Queen's Speech is unashamedly pro-work, pro-business and pro-aspiration, but that statement is an attempt to show a united front between the two coalition partners rather than a reflection of the reality of the content of this Queen's Speech. Yet again, this Queen's Speech is notably weak on something that matters crucially to the people of Britain: the quality of jobs and work. Once again, my constituents could be forgiven for seeing little in it for them: very little on jobs, very little for families, nothing to deal with the cost of living crisis, and nothing to instil confidence in the future for our young people.

The Government claim to have turned the economy around, yet they ignore the everyday struggle of ordinary people. Under this Government we have seen a rising tide of insecurity at work, which is adding to the costs of social security as people are forced to rely on benefits to make ends meet. The truth is that most people across the UK are experiencing squeezed living standards. Families are working harder, for longer, for less, yet they are seeing prices go up and up. In addition, the talents of millions of our young people are going to waste, and small businesses feel that this Government are not on their side.

For the Government to declare their economic plan a success, they must continue to deny the cost of living crisis that is engulfing the country. Even people in work see that wages are falling, because of the increase in the cost of living, and there have been unprecedented falls in real wages in the UK since the start of this recession. If we cast our minds back—*[Interruption.]*

**Madam Deputy Speaker (Dawn Primarolo):** Order. Minister of State, I can hear your conversation clearly. Members have sat in this Chamber all day waiting to speak and we should pay them the courtesy of listening to what they have to say, even if we do not necessarily agree with them.

**Mr McKenzie:** Thank you, Madam Deputy Speaker.

Let us cast our minds back. We recall that this did not happen in previous economic downturns, when median real wage growth slowed, or at worst stalled, but did not fall. Under this government, the real wages of the typical worker have fallen by about 8% to 10%, meaning that most people, except those at the very top, have experienced falling living standards. There is a cost of

**11 Jun 2014 : Column 646**

living crisis across the UK, and young people have been particularly badly hit. Those aged 25 to 29 have seen real wage falls in the order of 12%, with falls of 15% for those aged 18 to 24. In addition, many young people cannot find a job at all. Some three quarters of a million under-25s are unemployed, with 25% of them having been unemployed for more than a year. Our young people need work—and on decent contracts; they do not need the rise of the zero-hours contracts that many now find themselves on. The Queen's Speech does, however, offer a concession on zero-hours contracts, whereby firms will not be able to prevent workers on zero-hours deals from working elsewhere as well—I expect we should be grateful for this.

Let us consider another obscenity that is still occurring: the incidents of people paying below the national minimum wage. The Government have made re-announcement after re-announcement about cracking down on employers who do not pay the minimum wage. They have announced their name and shame policy on several occasions, but very few employers have been named or shamed. The Government need to match Labour's plans for more robust enforcement. Labour plans to increase the value of the national minimum wage over the next Parliament to a higher proportion of the average earnings and to help businesses pay a living wage through Make Work Pay contracts.

The truth is that under this Government, life has become more insecure for people at work, and it has become harder for employees to seek redress. This Queen's Speech offers little hope to families in Inverclyde who are faced with spending cuts, pay freezes and rising prices. There is little to help the 178,000 unemployed Scots to get a job. In Inverclyde, we have been fortunate to have a Labour MP, a Labour MSP and a Labour council focused on what matters most, which is jobs and work.

A continuation of the future jobs fund has meant that Inverclyde has one of the lowest rates of youth unemployment in Scotland, but we could have achieved more if we did not have a Government in Westminster fixated on the rich and a Government in Holyrood fixated on independence.

If this had been Labour's Queen's Speech, we would have introduced Bills to make work pay, reform our banks, freeze energy bills and build homes again. Labour would have recognised as wealth creators not just those who set up businesses, but those who put in the hours and do the shifts to make a successful business. Labour recognises that a recovery is created by the many and not the few. We want a plan for jobs. We need to identify industries of the future and to get Britain back to work.

**6.21 pm**

**Rushanara Ali (Bethnal Green and Bow) (Lab):** This Government have totally failed to grasp the appalling situation faced by struggling individuals and families who remain unemployed or in insecure work. The Queen's Speech offers little hope to the almost one in four young people in London who are unemployed. Nationally, 850,000 young people remain unemployed, and 975,000 young people are not in employment, education or training. This business-as-usual approach by the Government continues to put at risk the hopes and aspirations of our young people and shatters the hopes of another generation.

**11 Jun 2014 : Column 647**

In my constituency, 42% of young people live in poverty. The figures released this week by the Government's own commission estimates that 3.2 million children will be in poverty by 2020. It is said that two-thirds of those children will live in households in which at least one person is in work. We desperately need a more ambitious approach by this Government to tackle worklessness, unemployment and insecurity and low pay at work.

We should make no mistake that unemployment and insecure and low-paid work remain a massive problem in this country. London's unemployment rate is still 12% higher than the national average. Although it has seen huge growth in recent months, there has been a failure by both the London government and the national Government to ensure that our young people and the unemployed benefit from the job opportunities. This could be addressed today, but there is great complacency. We need better training, more apprenticeships and more opportunities to get people into work.

In my constituency, the Work programme is still a categorical failure—less than 10% of young people who go on that programme achieve a proper jobs outcome. I raised this matter with the Work and Pensions Secretary a year ago. Although the numbers have improved slightly, they are still not good enough, and there is great complacency in his Department in sorting it out. Why is so much money being wasted, and why are no new job opportunities being provided for young people up and down the country, including in areas such as mine?

Many Members have spoken about the 1.4 million people who are on zero-hours contracts. We need to see action by this Government to tackle the exploitation that goes on in certain sectors with zero-hours contracts and other similar contracts, particularly in the care sector. I met care workers in my constituency who cannot earn enough on these contracts to pay their rent and pay for their food in some weeks. In the 21st century and one of the richest economies in the world, that is a disgrace.

It falls on us all to ensure that we address these kinds of scandal, and that is why it is deeply disappointing that the Government have failed to take action and introduce the appropriate legislation to protect people from such exploitation. The Queen's Speech should have provided a clear target to improve the minimum wage and should have addressed our point about introducing minimum wage legislation to improve average earnings.

The Government have done nothing in the Queen's Speech to address the real concerns of my constituents on the value and security of work and nothing for people across the country who face insecurity at work and have little hope or prospect of getting a job. They have shown themselves incapable of ensuring that many of these people get a decent wage and can provide for their families. The Queen's Speech is meagre in its ambition and

offers little hope to the millions of people who remain unemployed or in insecure work, struggling to make ends meet. I hope that the Government will think again, stop being complacent and get their act together to get those who are not in work back to work and to support those who face insecurity and low pay in work.

**6.26 pm**

**Mr Gordon Marsden (Blackpool South) (Lab):** In the limited time available to me, I will look at the Queen's Speech and jobs and work through the eyes of my

**11 Jun 2014 : Column 648**

constituents—the people who come to talk to me in my office and bring me casework—and what I hear as I go around. The Business Secretary, who is now in his place, started off a little grumpy, saying that we were not talking enough about today's unemployment figures. I will certainly talk about the unemployment figures in Blackpool and praise the modest reduction in the overall number of people out of work and the very modest reduction in the number of people out of work for more than 12 months, but the devil, as always, is in the detail.

The unemployment rate in Blackpool is still twice the UK average and 50% more than the north-west average. We have always had challenges, like many coastal towns, with part-time and seasonal work and low skills, but the way in which the Government have failed to tackle those issues has exacerbated the problem enormously. Great work is being done by our small and medium-sized employers, by Blackpool council, by the "Build It" unit, which gets people back into construction, and by our further education colleges, and I have tried to get things moving, in my own modest way, with the skills fair we held last year: some 450 people turned up and we had 44 exhibitors, and we will repeat that event next year. The reality, though, is that we are not moving in anywhere near a strong or fast enough way.

If we want to know why this "recovery", so widely talked about by the coalition, is not being felt on the ground, perhaps we should look at the TUC's "Economic Quarterly Report", which has just come out. It rightly talks about the continuing underuse of resources and the fact that 1.4 million people in part-time jobs say that their first choice would have been full-time work—a figure 700,000 higher than the typical pre-recession level. We need to look much more carefully at why people are going into self-employment, where there has been a big increase. What I and many Members know anecdotally is that many people, particularly women, are going into self-employment because they have lost their full-time or part-time jobs—often, their job has been outsourced. Their incomes, as the TUC reports, can be modest indeed: the average annual income from self-employment is less than £10,000 for women.

There has been a lot of discussion today about the minimum wage and zero-hours contracts, which are big issues for us in Blackpool. There is also the issue of low-hours contracts, which the Union of Shop, Distributive and Allied Workers has taken up and which particularly affects women. If we want to address those issues, we have to take real measures, not the perfunctory measures on zero-hours contracts that have been suggested, particularly at a time when the reduction in the cost of living gap is modest. In fact, figures today from the Office for National Statistics and the Institute for Fiscal Studies suggest that it is becoming even more modest.

As we know, one key thing is to get young people into skills training and then into decent, meaningful employment. However, as the shadow Secretary of State said, the figures still show that the majority of the significant increase in employment has been among the over-25s. The traineeships programme, which we supported and which the Government quite rightly said was really important, has been a fiasco so far. It has not been promoted properly, and it took the Departments for Business, Innovation and Skills and for Work and Pensions months and months to get an agreement on the 16-hour rule. The programme is still not being promoted properly,

**11 Jun 2014 : Column 649**

it is still not clear and we now have a situation in which the Minister for Skills and Enterprise, in a panic about the take-up, proposes to reduce the time involved to as little as three weeks. The disincentives, the problems that people face in getting into work, which I have seen in my Jobcentre Plus in Blackpool, and the sanctioning process are doing nothing to help.

This Government are doing too little for younger people, but they are also doing too little for the 40-somethings and the 50-somethings in my constituency who want to reskill and retrain properly. The Government have got the balance wrong between stuffing people into short-term, low-skilled jobs, which are often temporary, and having a strategy that will produce real growth, real skills and real jobs for those people.

**6.31 pm**

**Rachel Reeves (Leeds West) (Lab):** The debate that we have called today and the amendment that we are now considering are based on the values and ideals that brought the Labour party into being. They are about securing for all people in this country the dignity of a decent day's pay for a hard day's work, so that people can both provide for their family and spend time with them, sharing in the wealth and prosperity that we all help to create. That is why the last Labour Government faced down those on the Conservative Benches who said that extreme low pay was a fact of life and who were happy to live in a world where there were adverts in jobcentres such as the one pointed out to me by a constituent of mine recently. It was advertising for a security guard and it read, "£1 an hour. Uniform provided. Bring your own dog."

Labour Members were not happy with that world. We set up the Low Pay Commission and we legislated for the national minimum wage, which for the first time put a legal floor, and a rising floor, under the wages of millions of workers, particularly women, below which their wages could not fall.

Today, however, we need to learn from and build on that success. Since this Government took office we have seen the national minimum wage fall by 5% in real terms in just four years and the number of workers stuck on low pay has soared to well over five million. That is more than one in five workers, and one in four women, who are paid less than a living wage.

That is one of many symptoms of an economy that is just not working for working people today. Along with the 1.5 million people on zero-hours contracts, who my hon. Friend the Member for Streatham (Mr Umunna) mentioned at the beginning of this debate, there are also 1.4 million people in part-time work who desperately want to work full-time; 600,000 people on temporary contracts who desperately want a permanent job; and numerous reports of a pervasive sense of insecurity, which affects not only the lowest paid but workers right up the income spectrum, including those in what were traditionally seen as middle-class or professional occupations.

We have had a number of contributions from hon. Members about the impact that this is having on their constituents. My hon. Friend the Member for Inverclyde (Mr McKenzie) spoke about real wage falls, particularly

**11 Jun 2014 : Column 650**

for young people, while my hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) spoke about youth unemployment and the lack of prospects for so many of her constituents. My right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) quoted Bevan and Beveridge in his speech, and spoke about the Government's policies leading to extremes.

My hon. Friend the Member for North Ayrshire and Arran (Katy Clark) spoke about the living wage, but also about the insecurity that so many of her constituents face, with 21% paid less than a living wage. My hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly) spoke about how this Government's programme was just too timid, and said that they must do much more both to tackle the abuse of zero-hours contracts and to stop this recovery being one that leaves far too many people behind. He speaks with a great track record, having done so much to campaign on rights for temporary and agency workers.

My hon. Friend the Member for Blackpool South (Mr Marsden) spoke about job insecurity, particularly in seaside towns, and the use of sanctions, which often go too far and penalise the wrong people. The hon. Member for Banff and Buchan (Dr Whiteford) spoke about the gender pay gap and how it is often women who suffer the most. My hon. Friend the Member for Wansbeck (Ian Lavery) made an impassioned speech about zero-hours contracts and the restriction of justice that so many people feel. He made an important point about the disconnect that so many ordinary people feel between them and politics and Parliament, which my right hon. Friend the Member for Doncaster North (Edward Miliband) spoke about last week. That is something we must all be aware of and address.

As well as resulting in so much indignity for so many people, the challenges we face also pile pressure on to our social security system, with taxpayers left to foot the bill for wages that do not cover the cost of living and insecure and irregular earnings making it harder for people to keep up with their rent, arrange a mortgage, save for a pension or do all the other things that so many of us take for granted. The bill paid by taxpayers for people being paid less than the living wage has been estimated at a staggering £2.4 billion a year, including £750 million in extra tax credits and £370 million in extra housing benefit. The cost to taxpayers of the number of people stuck in part-time jobs who want to work full time is now £4.6 billion, including £1.7 billion in additional housing benefit, with the cost of housing benefit for people in work rising by a staggering 66% since this Government came to office.

All in all, over this Parliament this Government are set to spend £13 billion more than they budgeted for on benefits and tax credits because too many people have been left out of work for too long and because the squeeze on wages has been so severe. Expenditure on in-work benefits and tax credits is set to go on rising in real terms over the years ahead. That is the price that we are all paying, and will continue to pay, for this Government's failure to secure a recovery that benefits everybody.

The impact of that on people is so stark, as has been mentioned in other speeches today. My hon. Friend the Member for East Lothian (Fiona O'Donnell) spoke about her constituents feeling left behind, despite the

#### **11 Jun 2014 : Column 651**

fact that the economy is now starting to grow again. My hon. Friend the Member for Sheffield Central (Paul Blomfield) made an incredibly powerful speech about the growth of payday lenders and the fact that nobody, especially those in work, should have to rely on that sort of credit to be able to feed their family and pay the bills. My hon. Friend the Member for Harrow West (Mr Thomas) spoke about an alternative world where credit unions are used more widely and supported more and about saving through the payroll, which I think was an important contribution in the debate. My hon. Friend the Member for Walsall North (Mr Winnick) spoke about the fact that far too many people in all our constituencies are being forced to go to food banks in order to support their families.

That is putting strain on our social fabric and the functioning of our democracy, as more and more people are feeling left out and cut out. The gains of growth are going to a privileged few and many are feeling left behind. No one in this House can be happy with the turnout in the local and European election just three weeks ago. If we are to turn that around and restore people's faith that voting can make a difference, we need to show those who are feeling sidelined and short-changed that we understand their plight and that we will take action to address their worries and problems.

We have heard powerful speeches today about the problems faced by people in low-paid and insecure work, but we have also heard powerful speeches about businesses in our communities doing great things, employing people and growing their businesses. We need to build a stronger and better balanced economy in which growth and prosperity are more fairly shared. I therefore welcomed the speech we heard from my hon. Friend the Member for West Bromwich West (Mr Bailey), the Chair of the Business, Innovation and Skills Committee, who spoke about apprenticeships. My hon. Friend the Member for Liverpool, West Derby (Stephen Twigg) spoke about not enough young people doing vocational subjects at school and college and the need to improve and reinvent our careers service.

My hon. Friends the Members for City of Durham (Roberta Blackman-Woods), for Glasgow North East (Mr Bain) and for Blaenau Gwent (Nick Smith) spoke about regional policy, local enterprise partnerships, the failure of the regional growth fund and the importance of creating a proper British investment bank. My right hon. Member for Warley (Mr Spellar) spoke about trade promotion, manufacturing and the need to put British business first. My hon. Friend the Member for Bristol East (Kerry McCarthy) spoke about the creative industries and their impact on our communities and on jobs.

We also heard speeches about small businesses. My hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson) talked about the red tape facing many small businesses and the costs that it imposes on them but also on Government. My hon. Friend the Member for Rochdale (Simon Danczuk) gave a plug to Danczuk's Deli and spoke about the problems with business rates and the need for a British investment bank.

We also heard some powerful speeches by Government Members, of which I will mention just three. The hon. Members for Macclesfield (David Rutley), for Cleethorpes (Martin Vickers) and for Stourbridge (Margot James) spoke powerfully about businesses in their constituencies and the good that they are doing in creating jobs.

### **11 Jun 2014 : Column 652**

Those speeches show the difference that can be made and that Labour can make. It is time to set an ambitious five-year target for the national minimum wage so that we narrow the gap between the minimum wage and average earnings over the life of the next Parliament. That would be the effect of the amendment, which would ensure that those who take the shifts and put in the hours in some of the toughest jobs in our economy have a chance of building a decent life for themselves and their families. A Labour Government would beef up enforcement of the national minimum wage, with new powers for local authorities to investigate infractions and larger fines of £50,000 for non-payment. We would also take action to end the abuse of zero-hour contracts, and crack down on agencies that use migrant labour and discriminatory recruitment and working practices to evade and undermine minimum employment standards.

All these measures form an integral and complementary part of the wider path that my hon. Friend the Member for Streatham spoke about, which would secure increased investment in infrastructure and innovation and support the creation of good-quality, high-skilled, well-rewarded jobs and apprenticeships across the country. We need to build an economy that can succeed in the global race to the top on quality and productivity instead of trying to win a race to the bottom on wages and working conditions—sadly, that seems to be the limit of this Government's ambitions.

We heard evasion and excuses from Government Members, in many cases going back to the arguments of the 1980s and 1990s. The hon. Member for Reading West (Alok Sharma) even suggested that we should be careful about treating employers who do not pay the national minimum wage too harshly in case they did it by mistake. Well, I do not think that is good enough.

**Alok Sharma:** I hope that the hon. Lady listened to my speech in full. I welcomed the fact that we should be clamping down on rogue employers but said that we also need to make sure that employers who make genuine, one-off mistakes should not necessarily be penalised for that.

**Rachel Reeves:** I wonder whether the hon. Gentleman is so lenient on people who over-claim benefits. I think we need to get tough on people who are not paying the minimum wage to their employees. It is against the law, it is the wrong thing to do, and it puts pressures on those employees' families that they should not have to face.

Figures from the Office for National Statistics show that over the past year the richest 1% have increased their share of national income from 8.2% to 9.8%. The top 1% have almost 10% of our national income, while 27 million taxpayers who make up the bottom 90% have seen their share of income fall. Wages have fallen further and further behind prices, as we saw again today, and the number of working families in poverty is set to soar. Only today, the latest figures from the ONS showed nominal pay growing by just 0.7% a year at a time when inflation, as measured by the consumer prices index, was running at 1.8%.

Earlier this week, a report from the Trussell Trust highlighted an increasing number of people in work who rely on their food banks. On Monday, the Government's own commission on child poverty reported that

"twice as many poor children now live in working homes than in workless homes"

**11 Jun 2014 : Column 653**

and called for

"real action to tackle low pay, create more secure jobs and enable more people in low-paid jobs to progress in work."

The same report says that the Government's latest poverty strategy

"falls far short of what is needed",

highlighting in particular the

"lack of new action on in-work poverty",

as outlined by my hon. Friend the Member for Wansbeck. I am afraid that it is the same old story from the same old Tories: tax cuts for the rich and pay cuts for the poor.

Last month, my right hon. Friend the Member for Doncaster North and I met a mum called Rachel Palmer who is affected by some of the things we have spoken about.

She works hard so that she can provide for her young son, but she struggles to make ends meet on a minimum wage job in retail. She fought back tears as she told us how hard it was. She said, "You cut all your outgoings, shop at cheaper supermarkets, make batches of food and put them in the freezer, and tour car boot sales and charity shops, but still there's not enough money." She said there are lots of people like her who do the right thing and go out to work but "can't afford simple things." She said, "You have to choose: do you give your child a nutritious meal, or do you let your standards drop?"

No one should have to make those sorts of choices for themselves or their children. Rachel Palmer is doing the best she can for herself and her young son, and we in this House need to do better for her and her family and millions more families in her position.

This Government have made it clear that they are content with the status quo. Labour Members are determined to aim higher. If the Government will not do more to help those who are struggling to find work and those who are working all the hours they can to provide for themselves and their families but are still struggling, the next Labour Government will. For millions of hard-working families up and down the country, that change cannot come soon enough. I urge this House to support our amendment.

**6.45 pm**

**The Secretary of State for Work and Pensions (Mr Iain Duncan Smith):** It is always a pleasure and an honour to conclude a debate on the Gracious Speech. I urge right hon. and hon. Members to oppose the amendment, which I will address later. I congratulate Members on their speeches. I have sat here for some time listening to them and the quality of speeches by Members on both sides of the House was of the highest order, particularly given the time constraint, which was imposed for good and obvious reasons. I congratulate in particular those who had to change their speeches after being addressed by the occupant of the Chair.

I congratulate and agree with my hon. Friends the Members for Norwich North (Chloe Smith) and for Stourbridge (Margot James), who spoke about the importance of youth employment and the way in which we

are now driving youth employment up and unemployment down. On support for growth in manufacturing employment, my hon. Friend the Member

**11 Jun 2014 : Column 654**

for Stourbridge said that manufacturing employment is now growing and improving after a fall of 2.5 million under the previous Labour Government. As my right hon. Friend the Secretary of State for Business, Innovation and Skills said in his opening remarks, we are getting more balance in the economy as a result of the work we have been doing, which is different from what was going on before the recession.

I congratulate my hon. Friend the Member for Worcester (Mr Walker), who talked about the small business measures and measures to get rid of excess zero-hours contracts, which my right hon. Friend the Business Secretary spoke about earlier. Many Opposition Members spoke passionately, and rightly so, about excesses in employment, particularly with regard to zero-hours contracts, but, as my right hon. Friend said, they never once addressed zero-hours contracts throughout their time in government. To listen to them, one would think that zero-hours contracts were an innovation created by this Government and that they began some time last year, but they did not: they were running under the previous Government, and it is only this Government and this Business Secretary who will address the matter, which is what Labour should have done.

As I recall, the last time that the hon. Member for Great Grimsby (Austin Mitchell) and I spoke in the same debate, he urged me to vote against the Government. I did and look what happened. Today, he advised us that we should borrow more, but I do not think that I will listen to him this time, if he does not mind—it got me into more trouble than I like to think about last time. However, I welcome him to his place and recognise that he also attacked the previous Government for the amount of quantitative easing they oversaw, which he said was wrong.

My hon. Friend the Member for Bournemouth East (Mr Ellwood) was making an effective speech about international matters before he was interrupted. I commend him for managing to get his speech out, regardless of the change in the interpretation of the rules. He made a really important point about the taking of Mosul, which is a terrible issue and we need to deal with it.

I welcome the fact that the hon. Member for Blaenau Gwent (Nick Smith) welcomed the rise in employment in Wales. I will pass on to the Transport Secretary his views about the electrification of the railway to Swansea.

My hon. Friend the Member for Cleethorpes (Martin Vickers) spoke very well about the increase in small business. He rewrote his speech as a result of the ruling from the Chair, and I congratulate him—I do not know whether he is in his place—on making a brilliant five-minute speech with no warning at all.

My hon. Friend the Member for Tamworth (Christopher Pincher) spoke about the good results from business men in his area, and particularly about making sure that small business is supported. My hon. Friend the Member for Dover (Charlie Elphicke) also spoke about that, as well as about the increase in people's disposable income—that is true—and economic models showing that the UK is now growing faster than any other country.

The hon. Member for East Lothian (Fiona O'Donnell) spoke about abuses of zero-hours contracts. In relation to what she raised earlier, there is no mandation on zero-hours contracts and there are no sanctions. I provide that for clarification and so that she is aware of it.

**11 Jun 2014 : Column 655**

My hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) welcomed the fall in unemployment and the grant of assisted area status for Fleetwood, which I pass on to my right hon. Friend the Secretary of State for Business, Innovation and Skills who is in his place. My hon. Friend said we should push on with shale gas, and I fully agree that it has potential benefits for us all.

The hon. Member for Liverpool, West Derby (Stephen Twigg) and my hon. Friend the Member for Ceredigion (Mr Williams) spoke about vocational training. I welcome the speeches of my hon. Friends the Members for Reading West (Alok Sharma) and for Folkestone and Hythe (Damian Collins), who spoke about real falls in unemployment and rises in employment, particularly youth employment, in their areas. My hon. Friend the Member for Warwick and Leamington (Chris White) spoke about growing business and manufacturing.

I welcome the speech of the hon. Member for Rochdale (Simon Danczuk), which was mentioned by the hon. Member for Leeds West (Rachel Reeves). He made me feel very hungry, as I am sure she did, by talking about Danczuk's Deli. I hope that we can give it more advertising—I can promise him that something in return would be very welcome after three hours on the Front Bench.

My hon. Friend the Member for Macclesfield (David Rutley) said that the Federation of Small Businesses had welcomed the Bill on small businesses in the Queen's Speech as a "landmark Bill". I agree that the Bill to protect small business is a landmark measure.

My hon. Friend the Member for Weaver Vale (Graham Evans) spoke about the importance of the fall in unemployment in his constituency. Youth unemployment there has fallen by 41%, which I welcome. Apprenticeships in his area have risen by 27% since he became its Member. I am not sure whether that fact is directly connected to him, but it will not do him any harm in his area.

I congratulate the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson) on the very strong and powerful points she made about taking the burden off small businesses.

In their opening and closing speeches, Opposition Members made no reference whatever to one of the big and important features of the Queen's Speech, which is the continuation of pensions reform. I will say a few words about that because it is very important. I start by paying tribute to the Minister of State, Department for Work and Pensions, my hon. Friend the Member for Thornbury and Yate (Steve Webb). It is way past time for him to be made right honourable, given the work that he has done—I say that to my hon. Friends—because the work that we have done in concert will leave behind a serious platform of pensions reform. The House will come to recognise that and the fact that his work will have rewarded many people. Obviously, we are ensuring that it pays to work, but also, most importantly, that it pays to save, which is one of our major platforms.

Let me just remind the House what we have introduced since being in office. There is the triple lock on the basic state pension; it is worth about £440 more in 2014-15 than it would have been under uprating by earnings, which was the process we inherited. Under automatic enrolment, more than 3 million people have already

#### **11 Jun 2014 : Column 656**

joined pension schemes, and there are more to come. We have capped rip-off charges, banned hidden charges and set minimum quality standards. Vitaly, there is a new state pension, which is set above the means-test level, so that those who have contributed at the full rate for 35 years are guaranteed a decent minimum income.

We are now going further, with a pensions Bill that will pave the way for innovation, competition and choice. We will introduce new flexibilities, trusting individuals to use their own money in retirement as they see fit, not as the Government tell them to do. Our consultation on guaranteed guidance closes today. We intend to strike a balance between impartiality and deliverability, alongside robust standards and monitoring.

At the same time, we are enabling the creation of a defined ambition pension, which is wholly compatible with the new flexibilities, to facilitate greater risk pooling, while offering savers greater certainty. There was a degree of confusion on the Opposition Benches when the Minister of State, Department for Work and Pensions, my hon. Friend the Member for Thornbury and Yate said that he had been looking at that idea for some years. My shadow, the hon. Member for Leeds West, tweeted on 1 June:

"I said last week Labour will legislate to introduce collective pensions. Days later, ministers are following suit".

I did not know we acted that fast. After all the years that my hon. Friend has been considering the idea, the hon. Lady suggests that we owe it to her that we have brought it in. She recently attacked the Labour leadership for not showing enough passion, but she must not confuse passion with accuracy. I notice that we have the pair of them here: the shadow Secretary of State for Work and Pensions and the shadow Secretary of State for Business, Innovation and Skills.

When we talked about freeing up annuities, there was chaos among the Opposition. During his speech on the Queen's Speech, the Leader of the Opposition did not mention pensions reform. The next day, the shadow Chancellor said only that Labour would look at the Government's proposals—he did not tweet at all. The day after that, the hon. Member for Leeds West said that she supported the reforms. By the weekend, the shadow Business Secretary backtracked and said:

"I'm not going to sign a blank piece of paper on your show".

Later the same day, my shadow also backtracked, saying that Labour supported the reforms, but that they did not go far enough. The Opposition have been in complete chaos and confusion about these landmark pension reforms—some of the most important that will ever be introduced. The reason why they have been in chaos is that they really do not trust people to dispose of their own money, which they have worked for and saved, whereas the Government do.

Throughout the shadow Business Secretary's speech, he would not accept that any of the problems that we have had over the past four years were caused by Labour's great recession. My right hon. Friend the Secretary of State for Business, Innovation and Skills reminded him—and it is worth reminding him again—that the recession that happened on Labour's watch cost the British economy £112 billion and cost 750,000 people their jobs. Youth unemployment increased by nearly a half, long-term unemployment almost doubled in just two years, 5 million people were left on out-of-work

**11 Jun 2014 : Column 657**

benefits and one in five households had no one in work. The shadow Business Secretary wonders why we want to go on talking about that. We do so because we do not want anyone out there ever to forget that Labour almost destroyed the British economy.

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

**Mr Duncan Smith:** No, I do not have time.

Under this Government, there is record employment. More than 30 million people are in work. Employment is up this quarter, with the largest rise on record. It is up 1.7 million since the election. Record numbers of women are in work. There is record private sector employment, which is up by 2 million since the election. Three quarters of the rise in employment is made up by full-time jobs. Over the past year, more than three quarters of jobs went to UK nationals, reversing the damaging trend of Labour's last five years in office.

I close today's debate on the Queen's Speech with a very simple point: we cannot trust Labour to be in control of the British economy ever again. The Government are helping people into jobs and ensuring that those who work hard and save all their lives are properly rewarded. To set the record completely straight, there are now more people in work than ever, more women in work than ever and more people in private sector work than ever. Youth and long-term unemployment is falling, and we have the lowest rate of workless households since records began. The Queen's Speech allows us to build on our success, not Labour's failure. I commend it to the House.

*Question put,* That the amendment be made.

*The House divided:*

Ayes 247, Noes 306.

**Division No. 1]**

[

**6.59 pm**

**AYES**

Abbott, Ms Diane

Abrahams, Debbie

Ainsworth, rh Mr Bob

Alexander, rh Mr Douglas

Alexander, Heidi

Ali, Rushanara

Allen, Mr Graham

Ashworth, Jonathan

Austin, Ian

Bailey, Mr Adrian

Bain, Mr William

Balls, rh Ed

Banks, Gordon

Barron, rh Kevin

Bayley, Hugh

Beckett, rh Margaret

Begg, Dame Anne

Benn, rh Hilary

Benton, Mr Joe

Berger, Luciana

Betts, Mr Clive

Blackman-Woods, Roberta

Blenkinsop, Tom

Blomfield, Paul

Blunkett, rh Mr David

Brennan, Kevin

Brown, Lyn

Brown, rh Mr Nicholas

Brown, Mr Russell

Bryant, Chris

Buck, Ms Karen

Burnham, rh Andy

Byrne, rh Mr Liam

Campbell, rh Mr Alan

Campbell, Mr Ronnie

Caton, Martin

Champion, Sarah

Chapman, Jenny

Clark, Katy

Clarke, rh Mr Tom

Clwyd, rh Ann

Coaker, Vernon

Coffey, Ann

Connarty, Michael

Cooper, Rosie

Cooper, rh Yvette

Corbyn, Jeremy

Crausby, Mr David

Creagh, Mary

Creasy, Stella

Cruddas, Jon

Cryer, John

Cunningham, Alex

Cunningham, Mr Jim

Curran, Margaret

Danczuk, Simon

Darling, rh Mr Alistair

David, Wayne

Davidson, Mr Ian

Davies, Geraint

De Piero, Gloria

Denham, rh Mr John

Dobbin, Jim

Dobson, rh Frank

Docherty, Thomas

Donaldson, rh Mr Jeffrey M.

Donohoe, Mr Brian H.

Doran, Mr Frank

Doughty, Stephen

Dowd, Jim

Doyle, Gemma

Dromey, Jack

Dugher, Michael

Durkan, Mark

Eagle, Ms Angela

Eagle, Maria

Edwards, Jonathan

Efford, Clive

Elliott, Julie

Ellman, Mrs Louise

Engel, Natascha

Esterson, Bill

Evans, Chris

Farrelly, Paul

Field, rh Mr Frank

Fitzpatrick, Jim

Flello, Robert

Flint, rh Caroline

Flynn, Paul

Francis, Dr Hywel

Gapes, Mike

Gardiner, Barry

Gilmore, Sheila

Glass, Pat

Glindon, Mrs Mary

Godsiff, Mr Roger

Goodman, Helen

Greatrex, Tom

Green, Kate

Greenwood, Lilian

Griffith, Nia

Gwynne, Andrew

Hain, rh Mr Peter

Hamilton, Mr David

Hamilton, Fabian

Hanson, rh Mr David

Harman, rh Ms Harriet

Harris, Mr Tom

Hendrick, Mark

Hepburn, Mr Stephen

Heyes, David

Hillier, Meg

Hilling, Julie

Hodge, rh Margaret

Hodgson, Mrs Sharon

Hoey, Kate

Hood, Mr Jim

Hopkins, Kelvin

Hosie, Stewart

Hunt, Tristram

Irranca-Davies, Huw

Jackson, Glenda

James, Mrs Siân C.

Jamieson, Cathy

Jarvis, Dan

Johnson, rh Alan

Johnson, Diana

Jones, Graham

Jones, Mr Kevan

Jones, Susan Elan

Kane, Mike

Kaufman, rh Sir Gerald

Keeley, Barbara

Kendall, Liz

Khan, rh Sadiq

Lammy, rh Mr David

Lavery, Ian

Lazarowicz, Mark

Leslie, Chris

Lewell-Buck, Mrs Emma

Lewis, Mr Ivan

Llwyd, rh Mr Elfyn

Long, Naomi

Love, Mr Andrew

Lucas, Caroline

Lucas, Ian

MacNeil, Mr Angus Brendan

Mahmood, Mr Khalid

Mahmood, Shabana

Malhotra, Seema

Mann, John

Marsden, Mr Gordon

McCabe, Steve

McCarthy, Kerry

McClymont, Gregg

McDonagh, Siobhain

McDonald, Andy

McDonnell, Dr Alasdair

McDonnell, John

McFadden, rh Mr Pat

McGovern, Alison

McGovern, Jim

McGuire, rh Mrs Anne

McKechin, Ann

McKenzie, Mr Iain

McKinnell, Catherine

Meacher, rh Mr Michael

Meale, Sir Alan

Mearns, Ian

Miller, Andrew

Mitchell, Austin

Moon, Mrs Madeleine

Morden, Jessica

Morrice, Graeme

*(Livingston)*

Morris, Grahame M.

*(Easington)*

Munn, Meg

Murphy, rh Mr Jim

Murphy, rh Paul

Murray, Ian

Nandy, Lisa

Nash, Pamela

O'Donnell, Fiona

Onwurah, Chi

Osborne, Sandra

Owen, Albert

Paisley, Ian

Pearce, Teresa

Perkins, Toby

Phillipson, Bridget

Pound, Stephen

Powell, Lucy

Qureshi, Yasmin

Raynsford, rh Mr Nick

Reed, Mr Jamie

Reed, Mr Steve

Reeves, Rachel

Reynolds, Emma

Reynolds, Jonathan

Riordan, Mrs Linda

Ritchie, Ms Margaret

Robertson, John

Robinson, Mr Geoffrey

Rotheram, Steve

Roy, Lindsay

Ruane, Chris

Ruddock, rh Dame Joan

Sarwar, Anas

Sawford, Andy

Seabeck, Alison

Sharma, Mr Virendra

Sheridan, Jim

Shuker, Gavin

Skinner, Mr Dennis

Slaughter, Mr Andy

Smith, rh Mr Andrew

Smith, Angela

Smith, Nick

Smith, Owen

Spellar, rh Mr John

Straw, rh Mr Jack

Stringer, Graham

Stuart, Ms Gisela

Sutcliffe, Mr Gerry

Tami, Mark

Thomas, Mr Gareth

Timms, rh Stephen

Trickett, Jon

Twigg, Derek

Twigg, Stephen

Umunna, Mr Chuka

Vaz, rh Keith

Vaz, Valerie

Walley, Joan

Watts, Mr Dave

Weir, Mr Mike

Whiteford, Dr Eilidh

Whitehead, Dr Alan

Williams, Hywel

Williamson, Chris

Wilson, Sammy

Winnick, Mr David

Winterton, rh Ms Rosie

Wishart, Pete

Woodcock, John

Woodward, rh Mr Shaun

Wright, David

Wright, Mr Iain

**Tellers for the Ayes:**

Phil Wilson

**and**

Nic Dakin

**NOES**

Adams, Nigel

Afriyie, Adam

Amess, Mr David

Andrew, Stuart

Arbuthnot, rh Mr James

Bacon, Mr Richard

Baker, Norman

Baker, Steve

Baldry, rh Sir Tony

Baldwin, Harriett

Barclay, Stephen

Barker, rh Gregory

Baron, Mr John

Barwell, Gavin

Bebb, Guto

Beith, rh Sir Alan

Bellingham, Mr Henry

Benyon, Richard

Beresford, Sir Paul

Berry, Jake

Bingham, Andrew

Binley, Mr Brian

Birtwistle, Gordon

Blackwood, Nicola

Blunt, Crispin

Boles, Nick

Bone, Mr Peter

Bottomley, Sir Peter

Bradley, Karen

Brady, Mr Graham

Brake, rh Tom

Bray, Angie

Brazier, Mr Julian

Bridgen, Andrew

Brine, Steve

Brooke, Annette

Browne, Mr Jeremy

Bruce, Fiona

Buckland, Mr Robert

Burley, Mr Aidan

Burns, Conor

Burns, rh Mr Simon

Burstow, rh Paul

Burt, rh Alistair

Cable, rh Vince

Cairns, Alun

Carmichael, Neil

Carswell, Mr Douglas

Cash, Mr William

Chishti, Rehman

Chope, Mr Christopher

Clappison, Mr James

Clark, rh Greg

Clarke, rh Mr Kenneth

Clegg, rh Mr Nick

Clifton-Brown, Geoffrey

Coffey, Dr Thérèse

Collins, Damian

Colvile, Oliver

Cox, Mr Geoffrey

Crabb, Stephen

Crouch, Tracey

Davey, rh Mr Edward

Davies, Glyn

Davies, Philip

de Bois, Nick

Dinenage, Caroline

Djanogly, Mr Jonathan

Dorrell, rh Mr Stephen

Dorries, Nadine

Doyle-Price, Jackie

Drax, Richard

Duddridge, James

Duncan Smith, rh Mr Iain

Ellis, Michael

Ellison, Jane

Ellwood, Mr Tobias

Elphicke, Charlie

Evans, Graham

Evans, Jonathan

Evans, Mr Nigel

Evennett, Mr David

Fabricant, Michael

Farron, Tim

Featherstone, Lynne

Foster, rh Mr Don

Fox, rh Dr Liam

Francois, rh Mr Mark

Freeman, George

Freer, Mike

Fullbrook, Lorraine

Fuller, Richard

Gale, Sir Roger

Garnier, Sir Edward

Garnier, Mark

George, Andrew

Gibb, Mr Nick

Gilbert, Stephen

Gillan, rh Mrs Cheryl

Glen, John

Goldsmith, Zac

Goodwill, Mr Robert

Graham, Richard

Grant, Mrs Helen

Grayling, rh Chris

Green, rh Damian

Greening, rh Justine

Grieve, rh Mr Dominic

Griffiths, Andrew

Gummer, Ben

Hague, rh Mr William

Halfon, Robert

Hames, Duncan

Hammond, rh Mr Philip

Hammond, Stephen

Hancock, Matthew

Hands, rh Greg

Harper, Mr Mark

Harrington, Richard

Harris, Rebecca

Hart, Simon

Harvey, Sir Nick

Haselhurst, rh Sir Alan

Hayes, rh Mr John

Heald, Oliver

Heaton-Harris, Chris

Hemming, John

Henderson, Gordon

Hinds, Damian

Hoban, Mr Mark

Hollingbery, George

Hollobone, Mr Philip

Holloway, Mr Adam

Hopkins, Kris

Horwood, Martin

Howarth, Sir Gerald

Howell, John

Hughes, rh Simon

Huppert, Dr Julian

Hurd, Mr Nick

Jackson, Mr Stewart

James, Margot

Jenkin, Mr Bernard

Jenrick, Robert

Johnson, Gareth

Johnson, Joseph

Jones, Andrew

Jones, Mr Marcus

Kawczynski, Daniel

Kelly, Chris

Kennedy, rh Mr Charles

Kirby, Simon

Knight, rh Sir Greg

Kwarteng, Kwasi

Lamb, Norman

Lancaster, Mark

Lansley, rh Mr Andrew

Laws, rh Mr David

Leadsom, Andrea

Lee, Jessica

Lee, Dr Phillip

Leech, Mr John

Leigh, Sir Edward

Leslie, Charlotte

Letwin, rh Mr Oliver

Lewis, Brandon

Liddell-Grainger, Mr Ian

Lloyd, Stephen

Lopresti, Jack

Loughton, Tim

Luff, Sir Peter

Lumley, Karen

Macleod, Mary

Main, Mrs Anne

Maude, rh Mr Francis

Maynard, Paul

McCartney, Jason

McCartney, Karl

McIntosh, Miss Anne

McPartland, Stephen

McVey, rh Esther

Menzies, Mark

Metcalfe, Stephen

Miller, rh Maria

Mills, Nigel

Milton, Anne

Mordaunt, Penny

Morgan, rh Nicky

Morris, Anne Marie

Morris, David

Morris, James

Mosley, Stephen

Mowat, David

Mulholland, Greg

Mundell, rh David

Munt, Tessa

Murray, Sheryll

Neill, Robert

Newton, Sarah

Nokes, Caroline

Nuttall, Mr David

O'Brien, rh Mr Stephen

Offord, Dr Matthew

Ollerenshaw, Eric

Opperman, Guy

Ottaway, rh Sir Richard

Paice, rh Sir James

Parish, Neil

Patel, Priti

Paterson, rh Mr Owen

Pawsey, Mark

Penning, rh Mike

Penrose, John

Percy, Andrew

Perry, Claire

Phillips, Stephen

Pickles, rh Mr Eric

Pincher, Christopher

Poulter, Dr Daniel

Prisk, Mr Mark

Pritchard, Mark

Pugh, John  
Raab, Mr Dominic  
Randall, rh Sir John  
Reckless, Mark  
Redwood, rh Mr John  
Rees-Mogg, Jacob  
Reevell, Simon  
Reid, Mr Alan  
Robathan, rh Mr Andrew  
Robertson, rh Hugh  
Robertson, Mr Laurence  
Rogerson, Dan  
Rudd, Amber  
Ruffley, Mr David  
Russell, Sir Bob  
Rutley, David  
Sanders, Mr Adrian  
Sandys, Laura  
Scott, Mr Lee  
Selous, Andrew  
Shapps, rh Grant  
Sharma, Alok  
Shepherd, Sir Richard  
Simmonds, Mark  
Simpson, Mr Keith  
Skidmore, Chris  
Smith, Chloe

Smith, Henry

Smith, Julian

Smith, Sir Robert

Soames, rh Nicholas

Spelman, rh Mrs Caroline

Spencer, Mr Mark

Stanley, rh Sir John

Stephenson, Andrew

Stevenson, John

Stewart, Iain

Streeter, Mr Gary

Stride, Mel

Stuart, Mr Graham

Stunell, rh Sir Andrew

Sturdy, Julian

Swales, Ian

Swayne, rh Mr Desmond

Swire, rh Mr Hugo

Syms, Mr Robert

Tapsell, rh Sir Peter

Teather, Sarah

Thornton, Mike

Timpson, Mr Edward

Tomlinson, Justin

Tredinnick, David

Truss, Elizabeth

Tyrie, Mr Andrew

Uppal, Paul

Vaizey, Mr Edward

Vara, Mr Shailesh

Vickers, Martin

Villiers, rh Mrs Theresa

Walker, Mr Robin

Wallace, Mr Ben

Walter, Mr Robert

Ward, Mr David

Watkinson, Dame Angela

Weatherley, Mike

Webb, Steve

Wharton, James

Wheeler, Heather

White, Chris

Whittaker, Craig

Whittingdale, Mr John

Wiggin, Bill

Willetts, rh Mr David

Williams, Mr Mark

Williams, Roger

Williams, Stephen

Williamson, Gavin

Willott, Jenny

Wilson, Mr Rob

Wollaston, Dr Sarah

Wright, Jeremy

Wright, Simon

Yeo, Mr Tim

Young, rh Sir George

Zahawi, Nadhim

**Tellers for the Noes:**

Mark Hunter

**and**

Mr Sam Gyimah

*Question accordingly negatived.*

**11 Jun 2014 : Column 658**

**11 Jun 2014 : Column 659**

**11 Jun 2014 : Column 660**

**11 Jun 2014 : Column 661**

**11 Jun 2014 : Column 662**

**7.13 pm**

*The debate stood adjourned (Standing Order No. 9(3)).*

*Ordered, That the debate be resumed tomorrow*

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