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Tycoons mix with top Tories at fundraising ball in London

Lobbyists and oligarchs pay up to £1,000 a head to dine with David Cameron and ministers at Conservative fundraising event

Simon Goodley, Melanie Newman and Nick Mathiason The Guardian, Sunday 12 October 2014 16.42 BST Jump to comments (...)



David and Samantha Cameron arrive at Old Billingsgate Market to attend the annual 'black and white' fundraising ball in February. Photograph: Rex

A doorstep lender, a host of property tycoons and a Ukraine-born energy magnate were among guests worth, in all, £22bn, who attended the Tories' most important fundraising event of the year, a table plan leaked to the Guardian reveals.

The secret list of about 570 guests at the Tories' Black and White Ball, held in February will heighten concerns that the country's wealthiest people are gaining access to David Cameron and senior Conservative cabinet members in private.

The revelation follows details published by the Guardian and the Bureau of Investigative Journalism in July which showed how lobbyists and oligarchs had paid up to £12,000 for a table at the 2013 Tory summer party.

At both events, where tickets went for £450 to £1,000, guests were seated with ministers whose portfolios were relevant to the diners' financial interests.

However, the wealth of the partygoers attending the February gala – which also took place at the Old Billingsgate Market, in the City of







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London - is estimated to have been double that of the summer party.

The table plan for February's dinner, again analysed by the Guardian and the Bureau of Investigative Journalism, reveals that:



Joan Collins and Ivan Massow arrive at Old Billingsgate Market in London. Photograph: Rex/Rex Features

• The work and pensions secretary, lain Duncan Smith, who has overseen a wide-ranging programme of welfare cuts, was seated with directors of the doorstep lending firm CLC Finance, which advertises loans at a 769.9% annual interest rate.

• The housing minister at the time, Kris Hopkins, sat with two of London's top property executives, Bruce Ritchie, a business partner of the chef Marco Pierre White, and Paul Munford, an adviser to the Candy brothers, luxury property developers whose firms arrange purchases of "trophy" London homes for rich foreigners.

• David Cameron shared a table with Lord Chelsea, whose family are worth £4.2bn and are among London's largest hereditary landowners.

• Michael Fallon, then energy minister, dined with directors of a firm which supplies the offshore renewable energy industry and which has directed donations at MPs whose constituencies are in areas where offshore wind farms have been proposed.

• Celebrity glamour was provided by Joan Collins, who arrived with her friend Ivan Massow, the financier and gay rights campaigner.

Nobility were also represented, with, among others, Lord and Lady Mornington – aka Arthur Wellesley, heir to the dukedom of Wellington, and his wife, who is better known as the makeup artist and model Jemma Kidd.



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Jemma Kidd and Arthur Wellesley at the ball. Photograph: Nikos Vinieratos/REX/Nikos Vinieratos/REX

There is no suggestion that guests discussed either policy or their business interests with the ministers and MPs at the dinner. A Tory spokesman said: "All donations to the Conservative party are declared and published by the Electoral Commission. Lists of all ministerial meetings with external organisations are published on a quarterly basis.

"Ministers meet a range of organisations – voluntary, commercial or educational. Any suggestion that policy is influenced by donations is malicious and defamatory and will be treated as such."

However, the fact of politicians mixing privately with tycoons has proved controversial and led for calls for greater transparency over such events. Whenever ministers meet businesses or individuals on official business, such as during meetings in their offices or at functions for official ministerial business, these meetings have to be declared. Party political functions such as conferences and fundraisers are exempt from these rules.

Sir Alistair Graham, former chairman of the committee for standards in public life, said: "It is worrying that the Conservative party, the party of government, should continue to hold fundraising events in such 'hole in the corner' manner.



Foreign secretary William Hague and his wife Ffion Jenkins arrive at the ball. Photograph: Oli Scarff/Getty Images

"What the public does not know, and has a right to know, [is] that these events are taking place together with who is attending, from both the industries and the government – so we can track, over the forthcoming months, if policy sweeteners have been promised as an incentive to attract donations."

Two of the directors of CLC Finance (which had three executives sharing a table at the ball with Duncan Smith) are Philip and Dominic Wilbraham, who are also members of a family company named Wilbraham Securities LLP, which has given £28,500 to the Tories over the past three years. The donations began in 2011, just as pressure was mounting on the government for tighter regulation in the high-cost credit market.

Also at that same table was George Hollingbery, MP for Meon Valley, in Hampshire, who is private secretary to the home secretary, Theresa May, and has a particular interest in work and pensions and welfare legislation.

A spokesman for the Wilbrahams said it was "absolutely not the case" that the family firm had made a donation to the Conservative party with the intention of influencing government policy on the regulation of home credit providers.

He added: "The Wilbraham family has been supporters of, and donors to,

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the Conservative party for over 30 years and the Wilbraham and Hollingbery families have been friends for over 40 years. The discussion at the fundraising event ... was a wide-ranging political discussion including a discussion on the universal credit system."

Duncan Smith did not respond to a request from the Guardian seeking comment, although he told the Commons in March 2014 that the government was "clamping down on loan sharks and doorstep lenders who have taken advantage of vulnerable people for too long", partly by expanding lower cost credit unions via the universal credit benefit system.



lain Duncan Smith at the 'black and white ball'. Photograph: Nikos Vinieratos/Rex/Nikos Vinieratos/Rex

Hollingbery added: "To the best of my recollection – from what is now seven months ago – I did not discuss credit finance, welfare reform or party funding with any of the other guests seated at my table or anywhere else."

On a nearby table hosted by the property tycoon Bruce Ritchie and his wife, Shadi, were some of the best connected names in the London realestate market. Joining them was Hopkins, the housing minister. Ritchie is chief executive of the Residential Land Group, which owns more than 1,200 let properties in the prime market of central London. He has called for less government intervention in the residential property sector – and along with his wife and company donated £111,600 to the Conservatives in 2013, more than twice the previous year's figure.

Also joining Hopkins at the Ritchies' table was Paul Munford, whose company arranges mortgages for wealthy foreigners wanting to buy high-value residential properties in London. There too was James Caan, the entrepreneur and former panellist on the TV show Dragons' Den, whose property company is in a joint venture with a Malaysian investor.

The general counsel for Caan's company, Hamilton Bradshaw, said: "No policy issues were discussed with Mr Hopkins." He added that Hamilton Bradshaw was involved in a number of sectors but predominantly recruitment.

At the Black and White ball, Alexander Temerko, a Ukraine-born director of the Tyneside-based firm Offshore Group Newcastle, which specialises in building offshore wind, gas and oil platforms, hosted Fallon and two other MPs who also have both benefited from Temerko's donations – James Wharton and Alun Cairns.

Temerko, who was a guest at the Tories' 2013 summer ball, where he bought a £12,000 bronze bust of Cameron for £90,000 at auction, is also a member of the Conservatives' "leader's group", a set of donors who contribute £50,000 to the party in return for invitations "to join David Cameron and other senior figures from the Conservative party at dinners, post-PMQ lunches, drinks receptions, election result events, and

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important campaign launches".

According to records held at the electoral commission, Temerko and the company have given at least £537,655 to the Conservative party since they began donating in February 2012, although the Tories have been in favour of offshore (as opposed to onshore) wind farms since before the last election.

"Any allegation that there was any attempt by either Mr Temerko or OGN or its representatives to influence policy in relation to wind farms is false," said an OGN spokesman. He added that wind power formed only a small portion of OGN's business.

The 21 ministers listed as going to the ball in February were all asked to confirm their attendance at it. Only Ken Clarke, then minister without portfolio, did so. The Treasury minister at the time, Nicky Morgan, and Owen Paterson, then environment secretary, said that they did not attend the event.

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Tory summer party drew super-rich supporters with total wealth of £11bn | Politics | The Guardian



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Tory summer party drew super-rich supporters with total wealth of £11bn

Almost 450 attendees at 2013 bash at Old Billingsgate Market sat at tables costing up to £12,000 each to rub shoulders with PM and cabinet ministers

Who sat with whom at the fundraiser with an £11bn guest list



David and Samantha Cameron at the Conservative party summer ball 2013. Photograph: Alan

Davidson/The Picture Library

Robert Booth, Nick Mathiason, Luke Harding and Melanie Newman

Thursday 3 July 2014 11.01 BST

D etails of the web of bankers, businesspeople and lobbyists helping the Conservatives' bid for a second term in power have been exposed as the Guardian reveals key guests at last year's secretive annual party fundraising dinner.

The 449 attendees at last year's Thameside event on 24 June had a combined wealth in excess of £11bn, with elite diners sitting at tables costing up to £12,000 each to rub shoulders with David Cameron, Theresa May, Philip Hammond and Boris Johnson, as well as the secretaries of state for health, transport, culture and justice.

Six billionaires and 15 people with a personal wealth above £100m were present at the closed event at Old Billingsgate Market, including 73 financiers, 47 retail and property tycoons, 10 in oil, gas and mining and 19 working in public affairs and PR, documents seen by the <u>Bureau of Investigative Journalism</u> and the Guardian reveal.

Disclosure of last year's guest list – which the party intended to remain private – comes just ahead of this year's fundraiser, which will take place on Wednesday night at the Hurlingham private members' club in west London.

The precise amount raised from the 2013 event cannot be quantified, but Electoral Commission filings show that since the ball those present have donated a total \pounds 5m, \pounds 1.1m of which was registered in the week after the event. Table sales raised at least \pounds 250,000, with the cheaper tickets going for \pounds 400 a time.



Theresa May, the home secretary

The main sponsor was Shore Capital, a Mayfair boutique investment bank led by Howard Shore, who has donated £450,000 to the <u>Conservatives</u> personally and through associated companies.

Shore booked three so-called "premier tables", on one of which he hosted David and Samantha Cameron. Others on the prime minister's tables included Nicolas Berggruen, an investor known as the "homeless billionaire" because he lives in hotels around the world; Darko Horvat, a Slovenian tycoon; and the property grandee Sir John Ritblat. In a statement, Shore's company said: "Shore Capital supported the event and made a financial contribution as they believe that the Conservative party, led by the prime minister, are the best party to govern the country."

One of the most surprising guests was Vladimir Putin's judo partner, Vasily Shestakov, who was introduced to the prime minister. The Russian president's key aide had been tasked with improving Russia's reputation in the UK and the handshake was "to make the wheels go round", a member of the Russian's party said.

Boris Johnson, the mayor of London, shared a table with Andrei Borodin, an exiled Russian banker who is wanted by the Kremlin to face charges of "aggravated swindling" over an alleged £220m bank fraud, which he denies and claims is politically driven. Borodin said: "I participated in no conversation on policy or party funding issues, nor did I make any donation at the event."



Andrei Borodin. Boris Johnson sat at his table at the summer party

Some glamour was provided by the presence of Peter Stringfellow, 73, the founder of the nightclub that bears his name, and his 31-year-old wife, Bella. A former Goldman Sachs banker and onetime Conservative donor, Richard Sharp, who sits on the Bank of England's independent finance policy committee, was also present.

Press were banned from the event and helpers were "absolutely forbidden" from leaking details to the media, the internal documents show.

One former political regulator said that the details raise fresh questions about the UK party funding system. "These events are not transparent at all," said Alistair Graham, the former chairman of the committee on standards in public life. "They are made to be private, cosy affairs where you pay for attention from a senior political figure, and if you are seeking to influence the government, you might have the opportunity to do so. We are vulnerable as a country to people getting private access to ministers for not too much money."

A spokesman for the Conservative party said: "All donations to the Conservative party are properly and transparently declared to the Electoral Commission, published by them, and comply fully with Electoral Commission rules."

The home secretary was placed with Lord de la Warr, director of Cluff Natural Resources, which is exploring underground coal gassification in Warwickshire, as well as Wafic Said, the Syrian-Saudi businessman who helped broker the al-Yamamah arms deal.



Wafic Said and wife

Among the lobbyists – some of whom have represented clients as diverse as the wife of the Syrian president Asma al-Assad, the Philip Morris tobacco company and Yukos oil – was James Henderson, chief executive of public affairs firm Bell Pottinger, which represents fracking company Cuadrilla among others. He hosted a table for friends, while his colleague Patsy Baker joined a table with justice secretary Chris Grayling.

"We do not go there to lobby ministers in any form," Henderson said. "We go there to support the party. Apart from shaking a hand, I don't believe I have ever spoken to a minister at any of these events."

The summer party is the Conservatives' second largest fundraiser after the winter "black and white ball". Altogether, guests at the event have donated an estimated £22m to the Conservative party since records began in 2001, either in a private capacity and through companies of which they are directors.

On one table were representatives of the <u>little-known Tory dining club</u>, <u>United and</u> <u>Cecil</u>. Since 2001, its members have donated over £900,000 to the party through the club, without individuals being named.

The defence secretary, Philip Hammond, shared a table with the Saudi Arabian head of the Arab British Chamber of Commerce, Afnan Al-Shuaiby; the table was paid for by Lord Clanwilliam, a PR adviser who works for the government of Bahrain, which has faced criticism over its human rights record. Clanwilliam declined to comment.

The transport secretary, Patrick McLoughlin, was entertained by shipping to aviation

magnate Constantine Logothetis, who has personally and through his company given £128,500 to the party. Also at the table was Laurent Cadji, another shipping company director. He did not respond to a request for comment.

Russian connection: Vasily Shestakov, Putin's judo partner

One of the most intriguing tables at the dinner features several prominent Russians connected to the Kremlin, including Vladimir Putin's wealthy judo partner.

Vasily Shestakov, an influential MP in <u>Russia</u>'s Duma, sat a table hosted by the <u>PR</u> <u>executive David Burnside</u>. Shestakov is an old friend of Putin's and the co-author with Russia's president of several books on the sport, including Learn Judo With Vladimir Putin and Judo: History, Theory, Practice.



David Cameron speaking at the party to Vasily Shestakov (second right) and Russian billionaire Andrei Kliamko (right), translated by lobbyist Alex Nekrassov (centre)

But Shestakov is also a key player in the Kremlin's recent multi-pronged attempts to improve the country's battered international image. Shestakov has been given the job of boosting Russia's reputation in the UK. He is head of FIAS, the international federation for sambo, a Russian variation of judo.

At the dinner, Burnside introduced Shestakov to David Cameron. A photo on the sambo federation's website shows Cameron chatting to Putin's close friend, with Alex Nekrassov – who works for Burnside's PR consultancy firm <u>New Century Media</u> – translating. Also pictured is <u>Andrei Kliamko</u>, a FIAS executive with business interests in Crimea, who according to Forbes Russia is worth \$1.9bn.

Burnside is a former Ulster Unionist MP, whose communications consultancy firm specialises in assisting wealthy Russians. "Cameron knows David from his political days," <u>Tim Lewin</u>, who sat with Shestakov, and advises New Century Media, said. "Cameron was looking for people to meet and greet. David grabbed him and introduced him to Shestakov."

Asked whether the meeting was appropriate, given <u>the 2006 murder of Alexander</u> <u>Litvinenko in London by suspected Kremlin agents</u>, Lewin said: "Shestakov is a senior MP." He added: "It's no different in my world, the finance world. If you want to impress people you have to introduce them to other big swingers. If you can have him [Shestakov] shake hands with the PM, it makes the wheels go round."

In May 2013 Shestakov – who speaks no English – was made an honorary freeman of the City of London. In June Shestakov hosted a sambo event at Kensington Palace, where he read out a message from Russia's president. Attendees included Prince Michael of Kent, Lord Simon Reading – also at Burnside's table – and a Russian business delegation. A friend of Silvio Berlusconi's paid for the evening and banquet.

Positive Russia charm offensive

The same month, June 2013, Lewin and Burnside founded the Positive Russia Foundation, an organisation designed to improve Russia's image in the UK. Lewin insists the foundation was his idea. According to Russian press reports, however, Shestakov was closely involved in setting up Positive Russia. Its purpose was to combat "anti-Russian propaganda" in the British media, Shestakov said.

The soft power project is the latest in a series of initiatives by the Russian government, which include the Kremlin propaganda channel Russia Today (RT). RT vehemently criticises the west, while ignoring the Russian state's authoritarianism. The St Petersburg news website Fontanka.ru – which interviewed Shestakov – <u>described</u> Positive Russia "as a new variant of RT, but under the patronage of English aristocrats."

According to Lewin, Burnside had also hoped to win a lucrative contract to promote sambo in the UK. In October 2013, "following conversations with Mr Shestakov", his company offered to arrange and promote a major sambo tournament in London. The 2014 event – named the President's Cup after Putin – would launch the sport on the world stage and "set a benchmark" for future UK-Russian relations.

New Century Media envisaged Putin handing the cup to the winning sambo team as well as a "prestigious black tie evening reception" afterwards. The PR firm promised "high-level dignitaries" from both countries would attend, including David Cameron, members of the royal family and Russian and British ministers. The venue would be Old Billingsgate Market. The pitch explained: "Now one of Europe's most prestigious event venues, it hosts a variety of events throughout the year, including the Conservative Party's Summer Party, where Mr Shestakov was introduced to Prime Minister David Cameron this year by New Century Chairman David Burnside." The event would help rebuild Russian-UK ties, following "a slew of negative media coverage". The proposed budget, including Burnside's fee, was £1.5m. Lewin told the Guardian last week the contract "didn't go anywhere". But court papers show that <u>New Century Media was earning huge sums</u> during the same period from other wealthy Russian clients. It was also promoting Moscow, at the behest of Kremlin officials, as an international financial centre. One of the clients, Vladimir Makhlay, a businessman who fled to the UK in 2005, <u>agreed to</u> pay New Century Media £75,000 a month for strategic advice – "including support for <u>Mr Makhlay's application for a British passport"</u>. Makhlay was allowed into Britain on an investor visa because he had "at least £1m" in British assets, the high court was told.

In return for £75,000 a month Burnside offered various services including "reputation management" and "personal introductions to an influential network of contacts". Makhlay, however, stopped paying after four months. New Century Media then sued in the high court, arguing successfully that the Russian had signed a year-long deal. According to election commission records, New Century Media donated £91,000 to the Conservative party in 2009 and 2010.

'This explains Cameron's spinelessness in relation to Putin'

The Guardian has learned that Burnside invited a senior diplomat from the Russian embassy in London to the same Tory fundraising dinner in 2012. The diplomat, <u>Sergei</u> <u>Nalobin</u>, is the son of a top-ranking officer in the FSB, the successor agency to the Soviet KGB. Nalobin's father was Litvinenko's boss in the 1990s.

"Nalobin wasn't supposed to be there. He was a last-minute addition. He spent the evening going round the tables, handing his business card to government ministers," one source said.

Nalobin played a key behind-the-scenes role in setting up the Conservative Friends of Russia, a pro-Kremlin parliamentary group. <u>But the group collapsed in 2012</u>, with key Conservative MPs resigning, following revelations of Nalobin's close links to Russia's powerful spy agencies.

Last week Lewin said the Positive Russia Foundation was still going – despite the sharp decline in Moscow-London relations following Russia's annexation of Crimea this spring. Although Cameron has condemned Russian aggression in Ukraine, Downing Street has so far not imposed visa bans on top Kremlin officials and oligarchs, many of whom have properties in London. Critics say the government is reluctant to act because it fears offending the City, for whom rich Russians are an important business.

Labour MP Chris Bryant, former chairman of the all-party parliamentary Russia group, said on Tuesday: "This shows the utter hypocrisy of David Cameron's Tory party and explains Cameron's spinelessness in relation to Putin. Voters will think that it's not just bizarre but despicable that Cameron will shake hands with, sit down to dinner with, and quite possibly take the money off, people such as these – the very people he is pretending to criticise over Crimea."

Burnside declined to comment. John Whittingdale MP, who sat with Shestakov on Burnside's table, said he believed that engaging with the Kremlin was the best strategy. Whittingdale, the chair of the British-Ukraine parliamentary group, said that he had a "robust exchange of views" last month with <u>Russia's ambassador to the UK,</u> <u>Alexander Yakovenko.</u> Lewin expressed similar sentiments. "I think isolating any authoritarian regime only makes it more authoritarian. If they [two opposing sides] don't speak to each other they end up throwing rocks over the fence."

Shestakov and Putin were members of St Petersburg's Yavara-Neva judo club. Many of the president's former sparring partners are now billionaires who occupy senior Kremlin positions. Shestakov declined to comment.



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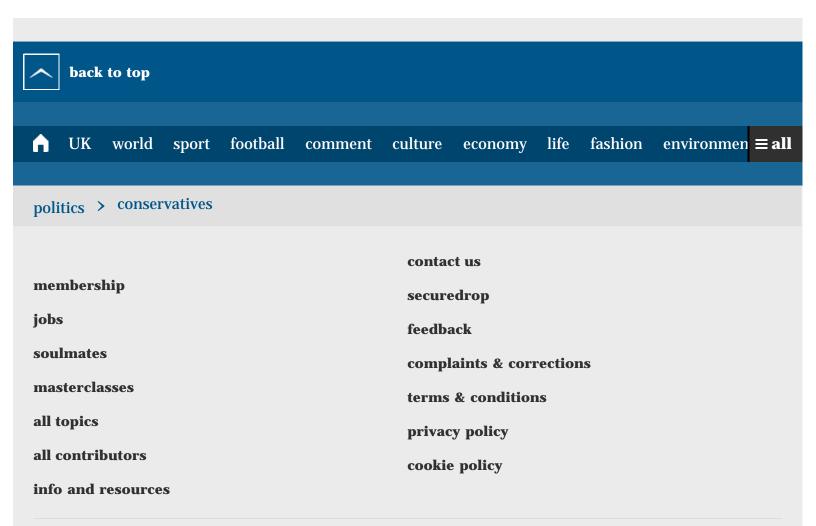
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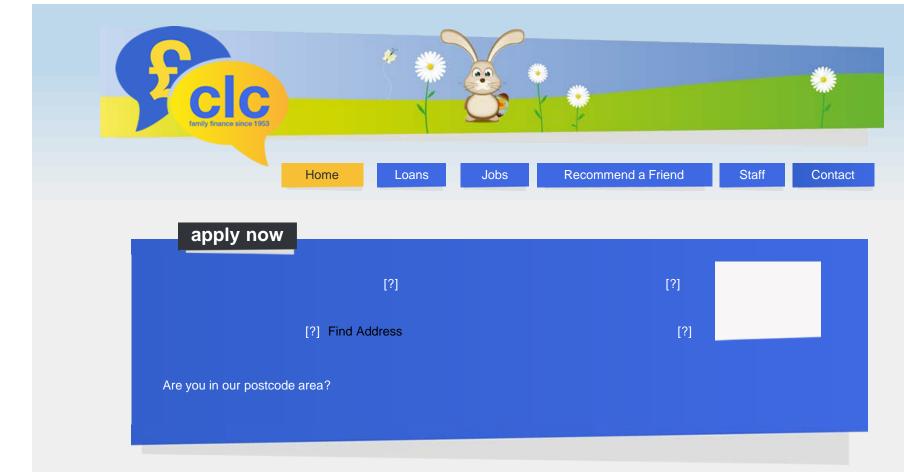
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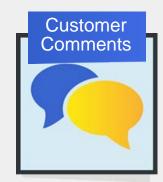
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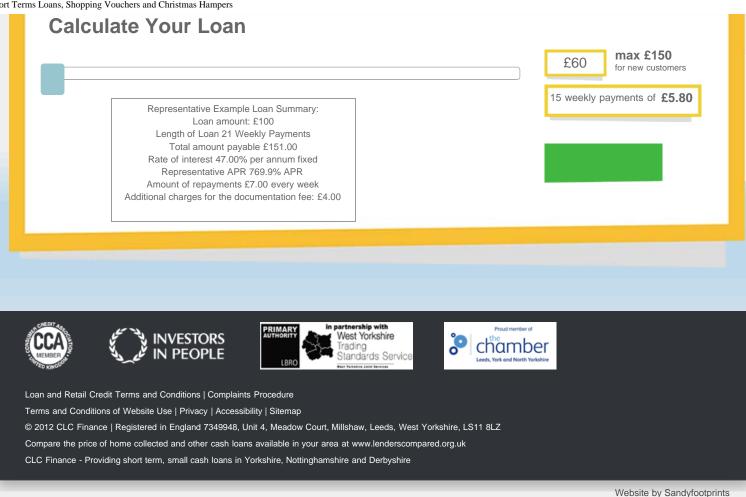
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Paul is internationally renowned as London's leading specialist in large value property and luxury asset finance. He has over 25 years' experience in arranging finance and has an extensive network of global lenders and clients. He advises the likes of Candy & Candy and Residential Land – central London's largest private landlord – as well as many global business leaders.



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Tories charge £2,500 a head for access to ministers at party conference

Paying guests will attend conference's business day, including lunch with David Cameron and dinner with George Osborne

Rowena Mason, political correspondent The Guardian, Wednesday 17 September 2014 16.47 BST



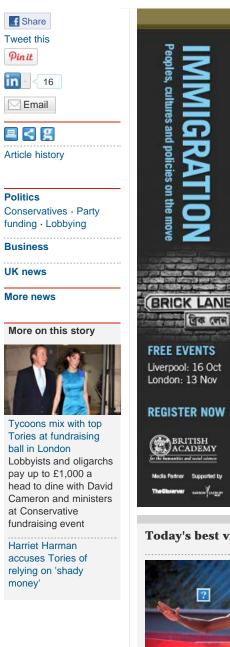
The price of access to the prime minister, chancellor and other senior Tory frontbenchers at conference has more than doubled in recent years. Photograph: PA

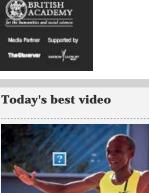
The Conservatives are charging business executives and lobbyists £2,500 each for access to David Cameron, George Osborne and other ministers at their party conference in Birmingham this year.

The paying guests will attend the conference's "business day", which will include lunch with the prime minister and dinner with the chancellor. They will also have a chance to talk to ministers about their specific concerns in "policy break-out" sessions.

Some of the senior frontbenchers on offer include a foreign office minister hosting a session on exports, defence ministers discussing procurement and treasury ministers talking about tax. Jo Johnson, the head of the Downing Street policy unit, will speak about Conservative business policy.

Companies sending representatives are able to avoid disclosing if they have bought a table because parties are allowed to class the cash as fees received as part of a commercial transaction, rather than a political donation. Political donations of more than £7,500 have to be reported to the Electoral Commission.





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A Conservative brochure advertising the event reveals Cameron, Osborne, Nicky Morgan, David Gauke, Andrea Leadsom, Elizabeth Truss, Esther McVey, Michael Fallon, Eric Pickles, Greg Clark, Nick Boles, Kris Hopkins, Matthew Hancock, Hugo Swire, Amber Rudd, David Lidington and Ed Vaizey among the ministers taking part in the business day.

The price of spending time with ministers appears to have more than doubled in recent years. Tickets for the inaugural Conservative business dinner in 2010 cost £1,000 each, and attendees at the 2012 event – including payday loans firm Wonga – paid £1,250 a ticket.

Cameron regularly holds dinners and other social events with donors as part of his "leader's club" at a price of $\pounds 50,000$ a year. Those who take part in the club are named on the party's website.

The Conservatives had no comment about the rise in price or the classification of the cash as a donation.

The Tories are not the only party to sell access to their frontbench. Labour is also marketing a "business forum package" for its conference in Manchester that includes breakfast, lunch and a guaranteed place at its business reception for just under £1,300 a head. It also classifies the cash as a commercial transaction.

The Liberal Democrats are selling tickets for their business day at £800 each and for their business dinner at £350. The party's conference website describes the event as "an excellent occasion for business leaders and public affairs executives to meet senior Liberal Democrats and discuss the current issues, challenges and opportunities facing British businesses today".

Alexandra Runswick, the director of campaign group Unlock Democracy, said the events were about "being able to buy access to politicians".

She said: "In any situation where business are paying large amounts of money to spend time with ministers, the names should be disclosed."

The Guardian and the Bureau of Investigative Journalism revealed earlier this year that guests at the Conservatives' 2013 summer ball had a combined wealth in excess of £11bn, with elite diners sitting at tables costing up to £12,000 each to rub shoulders with David Cameron, Theresa May, Philip Hammond and Boris Johnson.

Before Cameron took power in May 2010, he had promised a "new politics" that would restore public trust and reform party funding to "clean up our messy politics". Cross-party talks on the issue have collapsed.

All the parties are now in a race to raise money before the election, with their autumn conferences providing a lucrative opportunity for them to sell advertising, exhibition space and sponsorship of everything from lanyards to hotel key cards.





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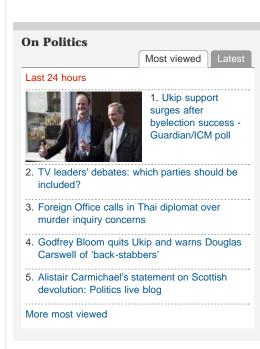
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Politics

Two Tory MPs accused of 'rank hypocrisy' over donations from Russian wind farm developer





Vale of Glamorgan MP Alun Cairns

Two Conservative MPs have been accused of 'rank hypocrisy' over £10,000 they took in donations from a Russian wind farm developer.

Conservative MPs Alun Cairns and Guto Bebb have both spoken out against wind farms in the past. A self-proclaimed sceptic, Mr Cairns has branded wind energy inefficient and expensive, and called for a cut in the subsidies paid to their developers.

But Labour has criticised the pair, calling them hypocrites for taking cash from Alexander Temerko, a director of energy company Offshore Group Newcastle. The register of MPs' interests shows Mr Cairns, MP for the Vale of Glamorgan, and Mr Bebb, MP for Aberconwy, each accepted £5,000 from him in April this year.

Records show since April 2012 Mr Temerko, who became a British citizen in 2011, has given the Conservatives more than £280,000 in donations.

They show four MPs have received individual donations totalling £30,000. Mr Cairns' does not feature in the data, as it was made after the Electoral Commission's most recent disclosure deadline.

In addition to oil and gas projects, OGN Group manufactures components for wind farms – several of which have been proposed or built in Wales despite public disapproval.

Chris Elmore, Mr Cairns' opponent at next year's general election, said the dispute echoed criticism of Welsh Conservative Assembly leader Andrew RT Davies last month.



Aberconwy MP Guto Bebb

He was accused of undermining Conservative wind policy after it emerged planning permission for a 99.5m tall wind turbine on his land had been requested by a company.

Mr Elmore said: "The sheer hypocrisy of the Tories knows no bounds. While David Cameron is promising to rid Britain of wind farms, there's an application for a huge 100m wind turbine on the land of Welsh Tory leader Andrew RT Davies.

"And now Alun Cairns, a Tory MP who sits on the Prime Minister's advisory board, has been found taking cash from wind farm developers."

He added: "David Cameron's closest advisers are taking donations from the very industry PM is declaring war on."

Mr Cairns said his opinion of wind farms had not changed, and that he had objected to an application for one in the past few weeks.

He said: "I am pleased to receive the support from such an expert engineer with experience across a range of economic sectors.

"He is a major employer in the UK and I would love to see him develop his engineering businesses in South Wales, and will do all I can to encourage him to this part of the country. Do my critics oppose that?"

Mr Bebb also said his position on wind farms was unaltered, and that he continued to support a campaign to stop them from being built in areas where they were not wanted.

He attacked Ed Miliband's term as Environment Secretary, when he gave the green light to a £2bn wind farm off his North Wales constituency's coastline despite local opposition.

He said: "The only hypocrisy on show here comes from the Labour Party, who were happy to see a minister in London reject a decision made by locally elected councillors. So much for their concern about the views of local people."

A Welsh Labour spokesperson said: "This is rank hypocrisy from the Tories. Rather than complain about getting caught out, Mr Bebb would do better to be honest with his constituents from the start."

A Conservative spokesperson added: "This is bizarre posturing from an increasingly desperate Labour candidate, best known for his attempts to shut Vale primary schools and slash education spending."

A spokesperson for Mr Temerko said he supported the Conservative party as a member, and added: "He promotes and is actively involved in the party's election campaign."

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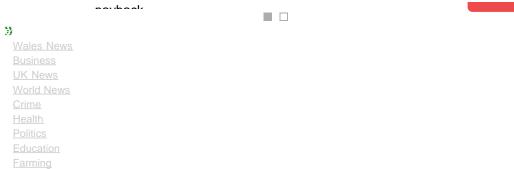
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Conservatives refuse to reveal guestlist for summer fundraising party

Prime minister's office claims there is no need to publish a list of invitees as David Cameron was not on 'official business'

Rowena Mason and Robert Booth The Guardian, Thursday 3 July 2014

Jump to comments (...)



The guestlist for the Conservative party's annual fundraising dinner at the Hurlingham Club has been kept secret. Photograph: Martin Godwin for the Guardian

Conservative ministers declined to say who they were dining with on Wednesday night as they arrived at the party's secretive summer party, which last year saw donors worth £11bn rubbing shoulders with Britain's most powerful politicians.

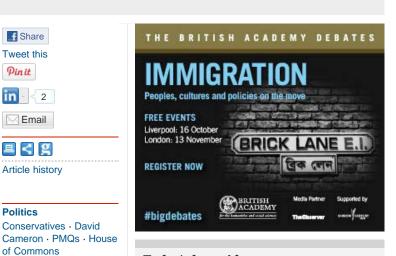
The party refused to release the guest list for the event at the private Hurlingham members' club in Fulham, west London, but the gleaming Rolls-Royces and Jaguars streaming through the gates gave a hint of the wealthy passengers heading inside.

Tory ministers including Michael Gove, Nicky Morgan, Matthew Hancock and David Gauke arrived on foot but would not say which donors they would be hosting on their tables.

Two of the biggest donors, Sir Michael Hintze and James Lupton, who have each given more than £1m, were spotted on their way in.

But most guests entered in cars with shaded windows, with some hiding their faces behind their invitations.

The dress code was "glamorous" but unlike last year, invitees were not



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instructed to avoid black tie.

David Cameron is facing calls to publish the guest list following revelations by the Guardian and the Bureau of Investigative Journalism that the 2013 event attracted bankers, businesspeople and lobbyists jointly worth over £11bn. His spokesman said there was no need to publish a list as the PM was not on "official business".

"Cameron is trying to buy his way to power," said Jon Ashworth, the shadow Cabinet Office minister. "We will be demanding to know who is whispering in his ear at the Hurlingham club."

Last year, when 449 guests paid up to £1,000 a seat, £1.1m in party donations were registered with the Electoral Commission. At the tables were 73 financiers, 47 retail and property tycoons, 10 oil, gas and mining millionaires and 19 people working in public affairs and PR.

Campaigners for political transparency said the event was "a straight-up case of cash-for-access".

At prime minister's questions on Wednesday, Cameron was challenged by Labour MP Kerry McCarthy to reveal what was discussed between defence secretary Philip Hammond and Lord Clanwilliam, a public affairs executive employed by the government of Bahrain, who shared a table last year.

He refused and instead attacked Labour's reliance on finance from trade unions. "The Labour party just has to get one trade union to write one cheque for £14m," he said.

A Tory spokesman said of the summer party: "All donations to the Conservative party are properly and transparently declared to the Electoral Commission, published by them, and comply fully with Electoral Commission rules."

Darren Hughes, deputy chief executive of the Electoral Reform Society, said the revelations were "the latest demonstration of why we need a new, more transparent system for funding political parties".

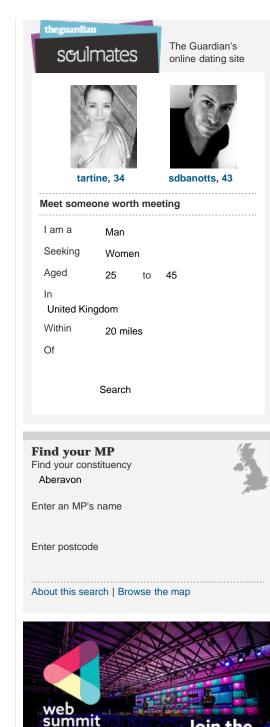
He added: "Every time we get an insight into how parties raise money, it further cements the impression that our democracy is for sale. Earlier this year we found that three-quarters of the public believe big money has too much influence on political parties, and 61% believe the party funding system is corrupt. Revelations like this are only going to push those numbers in one direction."

Alexandra Runswick, director of Unlock Democracy, an all-party campaign for constitutional reform, said: "The public feels our politics is for sale and that politicians listen to donors and lobbyists but not voters. The big problem is this isn't shocking any more. Voters have started to see this as part of the political process and it shouldn't be.

"With an event like this dinner, they can fund much of a general election campaign in one evening. It is much harder to get thousands of smaller donations from the public. Labour is at fault, too, and also hosts fundraising events where you have to pay for a ticket, and who is sitting at the table is not declared."

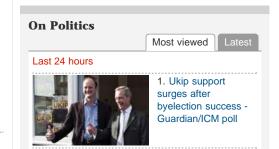
Tamasin Cave, director of Spinwatch, a lobbying campaign group, said the summer parties were "a straight-up case of cash-for-access. Buying a seat at a minister's table provides these bankers, foreign businessmen and lobbyists with an opportunity to discuss their concerns, whether its taxes, regulation or policy".

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About George Hollingbery

Biography

George entered politics fairly late in life when he became involved in a campaign in 1997 to stop a major supermarket being opened in his home village.

The opposition to the scheme, that feared the new store would put local traders out of business, was successful and this whetted George's appetite to try and do something to make a difference in his local community.

He was soon elected as a Winchester city councillor for Alresford and for ten years he undertook a valuable apprenticeship in local politics, while getting a firm grasp of how local government works.

Eventually this led to him becoming Deputy Leader of Winchester City Council.

In the midst of his council work, George unsuccessfully fought the 2005 General Election for the Winchester constituency - coming second.

But five years later, he was honoured to be elected as the Member of Parliament for the new constituency of Meon Valley with a majority of 12,125 votes.

Since then, his previous local government experience has allowed him to specialise in key policy areas such as planning reform as a member of the Communities & Local Government Select Committee in Parliament.

George also has a particular interest in work and pensions issues and he sat on the Welfare Reform Bill Committee.

In September 2012 he entered the Government in the junior post of Parliamentary Private Secretary (PPS) to the Home Secretary Theresa May.

Prior to politics, George was an entrepreneur specialising in start-up businesses.

His greatest success is the Companion Care chain of veterinary surgeries that may be familiar to those who use the Pets at Home pet superstores. He sold the majority of his shareholding in 2002.

George is married to Janette, who is originally from Florida, and they have three children.

Away from politics, he is a very keen salt water fly fisherman, loves photography and collects modern crafts.

He is Chairman of the All Party Angling Group, sits on the Works of Art Committee and has had some of his photographs displayed in Parliament.

George also sits on the All Party Group for Gardening and Horticulture and his own garden has been featured on television programmes including the Flying Gardener and Gardeners' World.

He has a degree from Oxford and a Masters from the Wharton School, at the University of Pennsylvania.



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31 Mar 2014 : Column 575

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House of Commons

Monday 31 March 2014

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker in the Chair]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Defined Contribution Pension Schemes

2. David Mowat (Warrington South) (Con): What assessment he has made of the Office of Fair Trading's recent recommendations on the creation of independent governance committees in defined contribution pension schemes. [903370]

The Minister of State, Department for Work and Pensions (Steve Webb): The Government announced last week that pension providers will have to implement new independent governance committees to oversee workplace pension schemes. This is part of the Government's package of measures to ensure that workplace pension schemes are well run and deliver value for money.

David Mowat: I thank the Minister for that answer, and I congratulate him again on his brilliant announcement last week of a 0.7% cap, which is 50% of the cap that the Opposition imposed on stakeholder pensions. But the OFT report identified other governance issues with smaller pensions where trustees and fund managers come from the same organisations, and it suggested that these independent governance committees be set up quickly. Will he confirm that that will happen before auto-enrolment goes much further?

Steve Webb: I am grateful to my hon. Friend for his support for our robust action on pension scheme charges. On governance, we recognise that there is potential for conflict of interest in some master trusts. Therefore, in last week's Command Paper, which I am sure he will have studied, we proposed that master trusts should be subject to the same independence requirements as independent governance committees. We are now consulting on that proposal.

Kevin Brennan (Cardiff West) (Lab): What does the Minister make of the Government's new Financial Conduct Authority's first foray into the area of defined contribution pension schemes?

31 Mar 2014 : Column 576

Steve Webb: The FCA will shortly announce details of plans to look at a raft of old pension and life assurance products, some of which have exit fees and high charges, and I think consumers will warmly welcome such an investigation.

Mr Julian Brazier (Canterbury) (Con): I commend progress on this as well as the amazing wider package of pension reforms for which my hon. Friend is responsible. On the balance that trustees will look at, may I urge him to bear in mind existing people in the system, not just pensioners themselves, because with Sheerness Steel people who were still working were almost wiped out in order to protect those who had retired?

Steve Webb: My hon. Friend is quite right. As he knows, we have both the Pension Protection Fund and the financial assistance scheme to help those whose sponsoring employer has become insolvent. It is important that we make sure that sponsoring employers are in a robust position and that regulation is proportionate, which is why we are changing the remit of the Pensions Regulator so that it has regard, in its actions, to the sustainable growth of the sponsoring employer.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Last week, the Minister announced that the Government were adopting lock, stock and barrel Labour's policy on the pension cap. That is welcome news for savers, but the Minister and the hon. Member for Warrington South (David Mowat) both know that governance is key to ensuring that savers get value for money all the way through the pensions system. Does the Minister therefore agree that allowing big insurance companies to appoint independent governance committees themselves is a little like allowing the home team to pick the referee in a football match?

Steve Webb: The hon. Gentleman raises an important point about governance and independence. He should know that the proposed terms of reference for IGCs include requirements that providers go through open and transparent recruitment processes, and that members be appointed for fixed terms, with limited numbers of reappointments. The requirements are designed to avoid any possibility that IGC members have incentives not to challenge providers in order to remain in post.

Employment Figures

3. Mary Macleod (Brentford and Isleworth) (Con): What assessment he has made of recent trends in employment figures. [903371]

8. Nick de Bois (Enfield North) (Con): What assessment he has made of recent trends in employment figures. [903376]

16. Alun Cairns (Vale of Glamorgan) (Con): What assessment he has made of recent trends in employment figures. [903385]

The Minister of State, Department for Work and Pensions (Esther McVey): We have record numbers of people in work, and the numbers are rising. Youth unemployment has fallen for six consecutive months.

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There are record rates of women in work and increasing numbers of people setting up in business. We are most definitely seeing a new enterprise generation.

Mary Macleod: Since 2010, unemployment in Brentford and Isleworth has reduced by 21% and youth unemployment by 29%. Will the Minister join me in welcoming this, and in inviting everyone in west London to my third jobs and apprenticeships fair on Friday at West Thames college?

Esther McVey: I would indeed invite as many people as possible to go along to my hon. Friend's job fair—her third one. She does so much to help her young people to get into work, and she works to support women into work, which must be acknowledged, particularly as we are now seeing record rates of women in work.

Nick de Bois: In my constituency, there have been 60 new enterprise allowance take-ups, and there have been 200 across the borough of Enfield. Will the Minister update me on her plans for continuing that scheme? Will she also update the House on the scheme's progress across the country?

Esther McVey: My hon. Friend makes a good point. The new enterprise allowance has been a huge success. The latest figures, which came out last week, show that 40,000 people have set up businesses in that way. It is now running at 2,000 new businesses a month. That is because we support those businesses financially, but it is also because we support them with strong mentoring. Equally, at the very beginning, they must have a good business plan. New enterprise allowances are here, and they are staying.

Alun Cairns: Unemployment in the Vale of Glamorgan has dropped by more than 27% since the general election. Does that not demonstrate that UK employment growth is happening in all nations and regions? We should be celebrating the fact that the economy is growing outside London and the south-east as well as growing in that region.

Esther McVey: I totally agree with my hon. Friend. He is right. As I have said, new enterprise generation stretches across the UK. Long-term youth unemployment in his constituency is down by 28%. I hope it will go down a little bit more and reach the national average—youth unemployment is down by 32% nationally—but a lot of good things are going on across the country.

22. [903391] **Sheila Gilmore (Edinburgh East) (Lab):** Despite all the talk of new jobs, 2.3 million people are still unemployed, only 58% of whom are on the jobseeker's allowance claimant count, which suggests that it is not the generosity of benefits that is keeping people out of work. What steps are the Government taking to get that number down?

Esther McVey: I do not know whether the hon. Lady was smiling when she was describing all the good news that is happening. There is a record number of people into employment—over 30 million—youth unemployment has gone down for six consecutive months, and there is

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a record number of women in work. Perhaps she did not hear that, which is why I have repeated the good news that our long-term economic plan is working.

Mr Stephen Hepburn (Jarrow) (Lab): But in reality, is it not true that long-term unemployment is rising, and that youth unemployment has doubled in the past six months, all because the Government are carrying out a policy whereby, at the next general election, good, secure, well-paid and skilled jobs in the public sector will have been slashed by 1 million, all with the goal of getting a low-wage economy in which insecurity is rampant?

Esther McVey: The hon. Gentleman spoke with gusto, but that was all he spoke with, because those are not the facts. Long-term unemployment has gone down and more people are in work than ever before. Perhaps he should have read the figures before he stood up to speak.

Lucy Powell (Manchester Central) (Lab/Co-op): The Minister spoke of more women than ever in work, which is actually a reflection of the fact that there are more women of working age. She should look at other figures. For the first time in more than 15 years, the gender pay gap is rising, not falling. That is a reflection of women working below their pay grade, training and education, in part-time, low-paid work. What will she do about that?

Esther McVey: I have two figures for the hon. Lady. She is correct that there are record numbers, but I also said that there

are record rates for women, which is different. That shows that our long-term economic plan is working. There are more women in work than ever before.

Youth Unemployment

4. Nigel Adams (Selby and Ainsty) (Con): What assessment he has made of recent trends in youth unemployment. [R] [903372]

The Minister of State, Department for Work and Pensions (Esther McVey): Thanks to the Government's long-term economic plan, youth unemployment is falling. I am particularly pleased that long-term youth unemployment has fallen by 38,000 over the last year. In my hon. Friend's constituency, long-term youth unemployment has gone down by 38% in the past year.

Nigel Adams: Will the Minister congratulate, with gusto, local businesses, Jobcentre Plus, Selby college and York college for their efforts in ensuring that tremendous fall in youth unemployment since the last election in Selby and Ainsty?

Esther McVey: My hon. Friend said that with such gusto that I do not think I could top it. Employment and enterprise is important to him—at age 26, he set up his own telecommunications company with the aid of a Government enterprise grant, so he knows what he is talking about—and he is helping lots of people in his constituency.

Alison McGovern (Wirral South) (Lab): Of the young people the Minister just mentioned who have a job, how many have gone on to work on zero-hours contracts?

Esther McVey: As the hon. Lady will know, the number of zero-hours contracts has remained fairly stable since 2000. They are called zero hours or casual

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hours, and they are used by Liverpool city council and Wirral council, which are Labour run. The worst council for using them is Doncaster.

We are having a full review of zero-hours contracts, and if they are exploitative we will bring about changes. Our report is due in July—something that Labour did not do for 13 years.

Greg Mulholland (Leeds North West) (LD): Thanks to the new enterprise allowance scheme, more than 1,000 people in Leeds have met a business mentor and 490 have set up a new business, including 40 in my constituency. Does my right hon. Friend agree that that shows small businesses driving our economy and getting people back to work?

Esther McVey: I agree with my hon. Friend. New enterprises are starting up because of the new sense of confidence and optimism in the economy. The extra support that we are putting in place—checking business plans and providing support through mentors—is really paying dividends.

Mr William Bain (Glasgow North East) (Lab): Some 180 young people in my constituency have been out of work for one year or longer. Can the Minister explain to the young man I met two weekends ago—he has been out of work for 18 months and is desperate to find a job—how the Government were so quick to give the banks a tax concession in the Budget, but are so slow to introduce a proper jobs guarantee plan for young people across the country?

Esther McVey: I would like to have a word with the young chap you are talking about, because I would like to give him hope and optimism, which is something that you are distinctly not giving—*[Interruption.]* I apologise, Mr Speaker. I do not mean your good self: I mean the hon. Gentleman. That young chap needs hope and optimism, and he needs to know what is happening in the rest of the country, because other people are getting jobs. Youth unemployment—including long-term unemployment—has gone down, and if the young chap sticks with it and gives it a go, he will get there in the end. That is the best news that I can give him. It is far better under this Government than it was under the Labour Government, when youth unemployment went up by 45%.

Financial Inclusion/Family Budgets

5. Damian Hinds (East Hampshire) (Con): What steps his Department is taking to promote financial inclusion and to help families to budget. [903373]

The Secretary of State for Work and Pensions (Mr I ain Duncan Smith): Through universal credit, the Department for Work and Pensions is investing £38 million in expanding credit union services to help more people to access affordable credit. A budgeting support package will be available to all those who need it through universal credit. At the same time, the Government are clamping down on loan sharks and doorstep lenders who have taken advantage of vulnerable people for too long.

Damian Hinds: In this 50th year of credit unions in Britain, may I commend the Secretary of State for what he continues to do to support the sector? Will he update the House on what is being done to tackle the excesses of the payday lenders he mentioned?

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Mr Duncan Smith: The Financial Conduct Authority will limit continuous payment authorities, which allow payday lenders to take money out of people's bank accounts, to two payments. The FCA will keep that under review. It is also preventing CPAs if a person would be left without money to buy essentials or for priority debts. We have already seen some payday lenders leave the market because it is being restricted in the right way. It is worth saying that before the last Government came to power, payday lending did not exist, but it spiralled to £1 billion-worth under them.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Has not the source of the pressure on family budgets been policies such

as the freeze in child benefit and the cuts to tax credits, which have left families hundreds of pounds worse off?

Mr Duncan Smith: The biggest pressure on family budgets was the fact that far too many people lost their jobs as a result of the crash in the economy, in which GDP fell by 7.2%. Since then, we have reformed welfare. It is difficult when people are out of work, but we are doing huge amounts to get them back into work. As my hon. Friend the Minister of State has said, more people are in work, more women are in work and more young people are beginning to get into work, so we are getting more people into a position to look after themselves.

Paul Maynard (Blackpool North and Cleveleys) (Con): Financial resilience for families in my constituency can be a real challenge. One of the biggest impacts on the family budget can be the loss of a loved one. Does the Secretary of State think it is now time to consider whether social fund funeral payments should be index linked to inflation to ensure that they keep pace with the cost of funerals?

Mr Duncan Smith: I am certainly prepared to discuss the matter with my hon. Friend if he wants to come and see me about it. I keep that area of the social fund under review, as he knows. We localised about £200 million of the social fund to councils so that they could deal with the problems people face directly. We also kept the remaining money, so a total of about £1 billion goes out to all sorts of things, such as funeral payments, support for loans and support for people in hardship. This is a big push by the present Government to help people ahead of payday lenders.

Kate Green (Stretford and Urmston) (Lab): Last week the BBC reported that just 6% of households affected by the bedroom tax had managed to move. Also last week, a report from Real Life Reform showed that nearly eight out of 10 tenants hit by the bedroom tax were in debt, with borrowing increasing by an average of £52 each week and families increasingly relying on loan sharks. Rather than preaching about careful budgeting, why do Ministers not just scrap this hated and unworkable tax, which is sending people spiralling into debt?

Mr Duncan Smith: It is interesting that the Opposition and the hon. Lady take the view that people moving is a bad thing. Let me just tell her—*[Interruption.]* It is interesting that they say that, but 30,000-plus people—I will repeat that: 30,000 people—who were in overcrowded

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accommodation have now had the opportunity for the first time to move into houses where they are not overcrowded. The hon. Lady and the Opposition left us with a quarter of a million people in that position—250,000—so in 10 months over 10% have had the opportunity to move and we are saving over £1 million a day. I call that a success.

Long-term Unemployment

6. Karl Turner (Kingston upon Hull East) (Lab): What steps he plans to take to tackle long-term unemployment. [903374]

13. Ben Gummer (Ipswich) (Con): What steps he plans to take to tackle long-term unemployment. [903381]

The Minister of State, Department for Work and Pensions (Esther McVey): Those at risk of long-term unemployment are given personalised support through the Work programme. Industry figures show that it has moved half a million people into work. Jobseekers returning from the Work programme will get extra support through our new help to work scheme.

Karl Turner: Through the hard work of the Labour-led council and the three Hull MPs, Siemens has now said, "Hull, yes," to a joint investment, with Associated British Ports, of £310 million, which will create 1,000 jobs, but this is not a silver bullet. We have a long-term unemployment crisis in my city. Will the Minister now support Labour's job guarantee for the long-term unemployed?

Esther McVey: I am glad to see that the hon. Gentleman is taking full credit for the Siemens move, but I would like to think that the long-term economic plan and everything this Government have done for the last year should take some credit too. Equally, long-term unemployment in his constituency is down 20% on the year, while long-term youth unemployment in his constituency is down 34%, so I would say that what we are doing is right. Our long-term economic plan is right and I am glad that Siemens is in his constituency.

Ben Gummer: It is a fact that every Labour Government since the war have left office with unemployment higher than when they came in. That is why I am particularly proud that unemployment, both youth and total, is lower than when we came into office in 2010. We have a particular issue with long-term unemployment in Ipswich. What will my right hon. Friend do to ensure that when we leave office—in the long distant future, I hope—long-term unemployment will be lower than when we took office?

Esther McVey: My hon. Friend is correct, and he is meticulous in his homework and his figures and in everything he does. I would also like to explain to the House that long-term unemployment in the UK is half that of the eurozone—the figure is 2.7%—so what we are doing is right. Let us not get out of office, because when we are in office we run the country a lot better.

Stephen Timms (East Ham) (Lab): The hon. Member for Ipswich (Ben Gummer) is absolutely right. Last year, the number of people who had been unemployed

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for more than two years reached a higher level than at any time since 1997. It then started to fall, but last week—contrary to what the Minister said a minute ago—it went up again. Does she accept that long-term unemployment is a terrible waste of human and economic potential, and will she now introduce a compulsory job guarantee for those who have been receiving jobseeker's allowance for more than two years?

Esther McVey: It seems that the Opposition never really learnt anything. They want to introduce the future jobs fund and traineeships, for instance, because they enable them to manipulate the figures. They can take people off long-term unemployment and start the clock ticking again, but the figures that they give are unreal and untrue. We are ensuring that we measure the levels correctly, and that there is an honest assessment of what is happening to unemployment, including long-term unemployment. I can tell the Opposition, without fiddling any figures, that it is coming down.

Miss Anne McIntosh (Thirsk and Malton) (Con): The corollary of long-term unemployment is the problem of hard-to-fill job vacancies. Can my right hon. Friend give me the most recent figures for the Thirsk, Malton and Filey travel-to-work area, and can she tell me what the Government are doing to place people in the care jobs which are so important to the community but so difficult to fill?

Esther McVey: My hon. Friend will be pleased to know that we are introducing sector-based work academies. When people are nearly job ready, and when businesses in the care sector have jobs to provide, we bring young people together and give them work experience and training, and a guarantee of a job interview at the end of that. Forty per cent. of those young people are being given jobs in the care industry.

Benefit Cap

7. Ian Swales (Redcar) (LD): What assessment he has made of the effectiveness of the benefit cap. [903375]

12. Stephen Metcalfe (South Basildon and East Thurrock) (Con): What assessment he has made of the effectiveness of the benefit cap. [903380]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): The benefit cap is working. The latest statistics show that 39% of those who are no longer subject to the cap have since moved into work. We will evaluate the policy thoroughly, and expect to publish the findings in the autumn.

Ian Swales: The average yearly pay in my constituency is about £21,000 before tax and national insurance. Does the Secretary of State think that a benefit cap of £26,000 gives people outside London an incentive to work?

Mr Duncan Smith: The introduction of the benefit cap meant that, for the first time ever, people who were out of work could not end up with more than the average earnings of people who work hard and try to make their way in the world. That was the first stage of

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the process. Obviously, as with all our policies, we continue to look at it, but I currently have no plans to change the existing levels.

Stephen Metcalfe: Given that Members in all parts of the House have now supported a cap on benefit spending, will my right hon. Friend tell us whether he has received any representations on how it is possible to promise to repeal some welfare reforms such as the benefit cap while at the same time avoiding a breach of the overall cap?

Mr Duncan Smith: Interestingly, the Opposition voted against the imposition of the benefit cap, which they subsequently claimed to support. Last week they did a U-turn and voted for the welfare cap, which is the overall setting of the level of welfare. They plan to get rid of the spare room subsidy, but they have not told us where they will find the money. So here we go again: it will mean more money in taxes, more money in spending, more money in borrowing, and a bust economy once more.

Mesothelioma Compensation Fund

9. Alison Seabeck (Plymouth, Moor View) (Lab): What progress he has made on the mesothelioma compensation fund scheme; and if he will make a statement. [903377]

The Minister of State, **Department for Work and Pensions (Mike Penning):** I am proud to say that the Diffuse Mesothelioma Payment Scheme Regulations 2014 were passed by the House on 17 March, and the scheme administrator is in place. Applications will be accepted from next month, and we will make the first payments in July, as planned.

Alison Seabeck: Can the Minister explain why this morning, following an earlier inquiry on my part, there is nothing on the Department's website, nothing on the gov.uk website and nothing on the website of Gallagher Bassett, the scheme administrator, although the scheme is intended to be up and running early in April? My constituents who suffer from this disease want to know how to apply. I think that the Minister is cutting it a bit fine.

Mike Penning: We may be cutting it a bit fine, but we want to get it right. We do not want people to try to apply before it is possible for them to do so. I find it difficult to understand why any Opposition Member should deny that this is a wonderful scheme that gives hope to people with a disgusting, horrible disease. Those people received nothing previously, which is why the scheme is so important.

Guy Opperman (Hexham) (Con): In a previous profession I represented many victims of this terrible disease and I welcome the fact that the coalition has managed to get approval for the mesothelioma fund on the statute and also secured enhanced damages. Does the Minister agree not only that this will make a very big difference in the north-east, where there is a high prevalence of this disease, but also that the focus now must be on enhanced publicity so all the victims know just what they have to do to get the compensation?

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Mike Penning: I could not agree more and I was very proud to be able to announce that we will be raising the benefit to 80% of average civil claims. That will give £123,000 to the claimants and their loved ones, plus £7,000 in legal fees, which if

they do not spend they can keep; it will not be clawed back in any shape or form. People have waited for this scheme for many years and we will do everything we can to make sure that people who deserve it get it.

Work Programme/Universal Jobmatch

10. Diana Johnson (Kingston upon Hull North) (Lab): What assessment he has made of the effectiveness of (a) the Work programme and (b) Universal Jobmatch. [903378]

The Minister of State, Department for Work and Pensions (Esther McVey): The Work programme is a success, and industry figures show it has moved half a million people into work. Universal Jobmatch revolutionises the way jobseekers look for work and it has already helped many jobseekers find the jobs they want through the millions of vacancies posted since 2012.

Diana Johnson: We recently heard that 60% of jobs on the failing Universal Jobmatch programme are bogus, such as the one for an MI6 "target elimination specialist", and many of my constituents have been ripped off by criminal scams. With the Jobmatch programme set to be axed, will MPs now get the monthly constituency figures on the number of jobseekers chasing each job, which was removed in 2013, or will that information still be withheld?

Esther McVey: Opposition Members just love to run everything down despite the fact that all these things we have put in place have helped a record number of people into work. We introduced a brand-new scheme that was in addition to what people could already do to look for work. More than half a million companies have opened up a scheme within Universal Jobmatch, which is helping millions of people to find work. Whenever we find any businesses that are not correctly adhering to terms and conditions—it is a tiny number—they are removed, but I have to say that this is a terrific addition to help people look for work. Shame on you!

Chloe Smith (Norwich North) (Con): The Minister knows of my passion for directly tackling youth unemployment in my constituency. Could she also tell me a little bit about what she is doing to help older workers find work, particularly using the tools referred to in the question?

Esther McVey: My hon. Friend does so much in her constituency to try to find young people jobs, such as setting up a scheme to find 1,000 of them jobs. She is doing that incredibly well and that task has nearly been completed. She is right that we have to help people of all ages. Yes, we put a £1 billion Youth Contract in place to help young people, but we have got to help people of all ages to get into work, which we are doing, whether through a new enterprise allowance, sector-based work academies, job clubs or Jobs First, and I can only reiterate that record numbers of people are in work.

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Mr Frank Field (Birkenhead) (Lab): As somebody who supports Jobmatch, may I ask the Minister whether she shares my concern that some of our constituents have been ripped off by those who are acting fraudulently? What steps has she taken to safeguard this scheme, which most of us support?

Esther McVey: The right hon. Gentleman, my constituency neighbour, is right in saying that 14 job- seekers —out of the millions a month who are looking for jobs through the scheme—were asked to pay for a Criminal Records Bureau check. The DWP is now working with them. Ten have put in for a compensation claim, and we are helping them to sort that out. If there is a bogus job or one that does not adhere to the terms and conditions on Universal Jobmatch, it is removed immediately. However, despite that one company, more than half a million companies are putting jobs up on the scheme to help people into work. I think we can all say that this is a resounding success.

Lorely Burt (Solihull) (LD): The Work programme provides tailored support to the people who are most at risk of becoming long-term unemployed, at a fraction of the cost of Labour's flexible new deal. Companies such as EOS in my region have been successful in helping people in that way. Does my right hon. Friend agree that we should be supporting the programme, rather than criticising it as the Labour party is doing?

Esther McVey: My hon. Friend is right. Of course we have to support schemes that work and of course we have to support businesses that want to get involved with our scheme. What is interesting is that we have got industry signed up to everything we do. All the big companies and all the small companies are signed up to what we want to do. The Opposition have come forward with a job guarantee, but not one business has signed up to that.

Crisis Loans (Homeless People)

11. **Steve Baker (Wycombe) (Con):** What recent assessment he has made of the effect of withdrawing crisis loans on homeless people wishing to raise rent in advance to secure housing. [903379]

The Minister of State, Department for Work and Pensions (Steve Webb): Crisis loans have been withdrawn, but DWP budgeting loans are still available for rent in advance. There is also a range of support available through local authorities, including discretionary housing payments and local welfare provision, and, as I am sure my hon. Friend knows, there is a rent deposit scheme in his constituency administered by Wycombe district council.

Steve Baker: I am most grateful to the Minister for his answer. Unfortunately, Wycombe Homeless Connection has stated categorically that the withdrawal of crisis loans has made it much harder for homeless people to get into flats and homes. Will he write to me to tell me exactly what he expects from Wycombe district council, so that we can ensure it is properly guided? May I also point out that I would support the Department restricting certain benefits to the wealthiest pensioners if that would enable homeless people to get off the streets and into homes?

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Steve Webb: I am sure that my hon. Friend would want us to stick to the terms of the coalition agreement, which commits us to protecting pensioner benefits for the lifetime of this Parliament. However, he is right to say that we have to do right by

homeless people, and I welcome the fact that the December quarter's homeless acceptance figures were down by 5% compared with a year earlier. That covers the period in which the change was made, and there are now about 50,000 homeless acceptances a year, which is about half the level that we saw in the early years of the Labour Government.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Minister find, as I do in my constituency, that when people in his own constituency get into a real crisis, the help that they used to be able to draw down is no longer there and that the community and third sector groups and charities are underfunded?

Steve Webb: On the contrary, the money that we were spending on crisis loans and community care grants, amounting to more than £170 million a year, has been devolved in full to local government. The hon. Gentleman should take the matter up with his local authority if is not spending it properly.

Universal Credit (IT Specialists)

14. Chi Onwurah (Newcastle upon Tyne Central) (Lab): How many IT specialists are working on the digital solution to universal credit. [903382]

The Secretary of State for Work and Pensions (Mr I ain Duncan Smith): We continue to build up the Department's digital capability, having launched the Government's first digital academy and brought in a man called Kevin Cunnington, who was previously global head of online at Vodafone. Some 370 people are working full time on the universal credit change programme. The aim of any multidisciplinary team is that individuals should come and go, reflecting requirements at each stage. A team of 50, of which 25 are digital specialists, is currently working alongside other experts, and it is steadily building and on track.

Chi Onwurah: It is my understanding that the Secretary of State plans to continue the development of the existing, discredited universal credit IT system while building a new system in parallel, on the recommendation of the Government Digital Service. Will he confirm whether that is the case, and set out how much extra that double development is going to cost? Also, how is he going to recruit the skills he needs, given the current shambles?

Mr Duncan Smith: First, on the skills side, we have been recruiting and we have also been educating internally at the DWP, which has been a big success. The digital process, which is about improving this, will carry on. It is the development that was recommended for the longer term. In the meantime, the live service is running, and the system is not discredited. It is working, with the pathfinder rolling out through the north-west, and it will continue to roll out. The vast majority of the equipment being developed in that will be used within the digital system, so those who say that the money being spent on that is being wasted are simply wrong. It will be used in the medium and longer term for all of the universal credit roll-out.

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Charlie Elphicke (Dover) (Con): In developing universal credit and its IT system, what lessons have the Government drawn from IT projects conducted by the previous Government?

Mr Duncan Smith: The reason why we are doing this in a way that tests it at each stage, so we make sure we have got it right before rolling it out and taking more numbers on board, is because we want to make sure that taxpayers' money is protected through this process and that the system works. I recall, as I am sure my hon. Friend does, that when the Labour Government launched tax credits it was a total disaster; we had loads of people in our surgeries with real problems relating to payments. This Government will never revisit that, which is why I will never accept any advice from the lot who wasted billions on failed IT programmes.

Chris Bryant (Rhondda) (Lab): I know the Secretary of State loves to argue that black is white and white is black, but how on earth can he possibly stand here and suggest that this project is "on track"? The Government promised that 1 million people would be on universal credit by tomorrow—by 1 April this year—but how many are on it? He said at the beginning of the month that there were 6,000, but the figures given by the Minister of State, the right hon. Member for Wirral West (Esther McVey), show that fewer than 4,000 are. So precisely how many people are working on the IT? Is it 50, as the Secretary of State just said, or is the figure eight, as the Minister of State said earlier this month?

Mr Duncan Smith: I know the hon. Gentleman likes to get up and speak, but sometimes he needs to be aware of the facts that have been given to him. I have just given those facts, but because he was not listening I will give them again. Of the team of 50 working on the digital system, 25 are digital specialists—there will be more as we develop it and report back. May I simply say that instead of moaning about this system, Opposition Members might like to visit it, as many other MPs have done, because they will see how successful its rolling out has been? Some 90% of the claims for JSA as a result of universal credit are now made online, and 78% are monthly payments—these are people confident to receive those payments. *[Interruption.]* The reality is that the systems the Labour Government implemented were failures, whereas this will succeed and change many people's lives.

Mr Speaker: Order. Mr McCann, I say to you in all courtesy and in all charity that the role of the Parliamentary Private Secretary—you are sitting in the PPS slot—is to nod and shake the head in the appropriate places, and to fetch and carry notes, not to shriek from a sedentary position or gesticulate in an unseemly manner.

Andrew Bridgen (North West Leicestershire) (Con): Will my right hon. Friend confirm, and remind the House, that universal credit is set to deliver £35 billion of benefit to our economy?

Mr Duncan Smith: Yes, I agree with my hon. Friend on that. The National Audit Office report said that a minimum of £38 billion would actually be the positive elements brought to the UK economy and those who are in need. The real problem is that the Opposition say

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they support it, but they carp about it. The reality is that every change they ever brought in was a failure. They wasted

billions of pounds of taxpayers' money. We will implement this carefully and because of that, people will benefit, rather than suffer, as we all recall they did when Labour introduced tax credits.

Universal Credit

15. Mark Pawsey (Rugby) (Con): What recent assessment he has made of the effect of universal credit on employers. [903383]

The Secretary of State for Work and Pensions (Mr I ain Duncan Smith): The Department has consulted widely with employers over the past 12 months to ensure that universal credit works in the best way possible for them. The Minister with responsibility for welfare reform recently met national employers, trade bodies and employer representative groups, and we know that universal credit will have a positive impact on employers through the flexibility it brings to their work force—unlike tax credits.

Mark Pawsey: I thank the Secretary of State for that answer. He will be aware the Rugby jobcentre is among the first six offices to introduce universal credit. Will he join me in complimenting the staff there on achieving a successful roll-out in a complicated procedure? Given recent concerns about child care, will he reassure the House about the availability of child care support under universal credit for families in work?

Mr Duncan Smith: I am grateful to my hon. Friend for raising that issue, because under universal credit we will increase the child care level to 85% of the cost. We will be investing a further £400 million a year in a steady state, and 500,000 families will gain. These are positive incentives to go back to work. Child care costs are now paid up to a maximum of £646 per month for one child and £1,108 for two or more children. In universal credit we are removing the 16-hour rule, which exists in tax credits and is a major disincentive for many lone parents and others to take jobs—that has been abolished, and some extra £200 million will help 100,000 families back into work.

Child Poverty Target

17. Catherine McKinnell (Newcastle upon Tyne North) (Lab): What recent assessment he has made of whether the UK will meet the 2020 statutory child poverty target. [903386]

The Secretary of State for Work and Pensions (Mr I ain Duncan Smith): The Government are committed to the Child Poverty Act 2010 and to ending child poverty by 2020. It is not possible accurately to project child poverty figures, but already we are seeing progress in tackling the root causes. Just last week, we learned that there are now 290,000 fewer children living in workless households compared with 2010, and that has a net impact and effect on child poverty.

Catherine McKinnell: The Secretary of State mentions reducing the number of children in workless households, but today child poverty is overwhelmingly a problem for working families. Since 2010, the number of parents

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who work part time but who want to work full time is up 45%. What are the Government going to do about the prevalence of low-paid insecure work that is trapping families in poverty?

Mr Duncan Smith: The last figures that covered people who were in work and in poverty were misrepresented by those who talked about them. In truth, those figures reflect what happened under the previous Government, when we saw an increase of 500,000 families who were in work and in poverty. That has been flat since the election. We are working on that to ensure that we get as many people out of poverty as possible. The reforms that we are changing and making to get people back to work, which the Minister of State, my right hon. Friend the Member for Wirral West (Esther McVey) has talked about, will have a huge impact on those who are in poverty now.

People are better off in work. Despite what Labour did, people have more chance now to change their circumstances and more likelihood of coming out of poverty. Let me remind the hon. Lady of one little fact. Labour spent £175 billion of taxpayers' money on one benefit—chasing a child poverty target that it simply did not achieve. That was wasted money.

Topical Questions

T1. [903358] Mary Macleod (Brentford and Isleworth) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): We were pleased this week to find elements of —that new families formed were no longer breaking up. These figures came out last week to ensure that we are making our programmes work for very good reasons. Families are now staying together. Stable families in households being able to —[Interruption.]

Mr Speaker: Order. May I gently interrupt the Secretary of State? I thought that he was going to give a brief rundown of his departmental responsibilities in answer to the first topical question.

Mr Duncan Smith: I was talking about the figures that came out last week on new families forming and staying together.

Mr Speaker: That is what the right hon. Gentleman was seeking to do?

Mr Duncan Smith indicated assent.

Mr Speaker: We are grateful. We will leave it there for now.

Mary Macleod: May I thank my right hon. Friend for the work that he and his Department are doing in transforming lives and getting people back into work? In preparation for my jobs and apprenticeships fair on Friday, will he confirm the job vacancy figures for both London and Brentford and Isleworth?

Mr Duncan Smith: At the end of last week, there were 927 active vacancies and 1,493 active jobs in the Brentford and Isleworth constituency. The vacancies were largely in retail, travel, transportation and tourism. The jobcentre has also worked with Asda and Premier Inn to deliver work experience and sector-based work academy opportunities.

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Rachel Reeves (Leeds West) (Lab): Just 46% of disabled people are in work, while 40% of disabled people not working report that they want to work. Helping disabled people into work provides them with security and dignity as well as helping control the costs of social security. Will the Secretary of State tell the House what proportion of disabled people referred to the Work programme get a job?

Mr Duncan Smith: The Work programme has been successful for those who are furthest from the labour market. The group of people the hon. Lady is talking about who suffer from sickness and disability have, for the first time, been worked with and helped back into work. The figures that we are seeing now are slower than we would have wished, but they are, none the less, improving all the time. Let me remind the hon. Lady that no one has ever attempted to get these people back into work. The Work programme is succeeding in helping into work those who were never in work before.

Rachel Reeves: The truth is that just 5% of disabled people on the Work programme end up in work. If that is a success, I would like to know what failure is. It is worse than doing nothing. It is a disgrace to let disabled people down in such a way. In the Budget, spending on employment and support allowance was revised up by a staggering £800 million because of delays, incompetence and the complete failure of the Work programme. Will the Secretary of State now agree to take action to help disabled people and give them the support they need and reform the failing Work programme?

Mr Duncan Smith: Let me remind the hon. Lady that, as I said earlier, for these people, and the previous Government made no effort whatsoever to get them back to work—*[Interruption.]* No, 2.5 million people were written off on sickness benefits under the previous Government. No one worked with them and about 1 million were left without anybody seeing them for nearly 10 years. That is the record of the previous Government. I simply remind the hon. Lady that since we came to power, some 22,000 have started a job for the first time and many thousands more have worked with the Work programme to get ready for work without a requirement to go to work. The programme is succeeding and improving all the time and this is the first time that the thousands who are going back to work have ever had help—they got none from the previous Government.

T2. [903359] **Henry Smith (Crawley) (Con):** What is my right hon. Friend's assessment of how the Government's triple lock guarantee for increases in the state pension has benefited thousands of pensioners in my constituency and across the country?

The Minister of State, Department for Work and Pensions (Steve Webb): I am grateful to my hon. Friend for flagging the fact that we have increased the basic state pension by whichever of earnings, prices or 2.5% gives the best outcome for pensioners. Compared with the earnings link, which we think the Opposition would have restored from 2012, that is an extra £440 a year in state pension for pensioners in our constituencies.

T3. [903360] Gavin Shuker (Luton South) (Lab/Co-op): A constituent of mine who is on jobseeker's allowance wrote to me to ask for financial support to

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get feedback on her interview technique to find where she was falling down at interview. Instead, I gave her a mock interview and, I hope, some helpful feedback. She says of the jobcentre, "I have asked umpteen times for interview practice, but all I get is directed to tips on the web." Why can that not be provided by the jobcentre?

The Minister of State, Department for Work and Pensions (Esther McVey): I would like to know which jobcentre that was. I know, as I go to jobcentres all the time, how caring and supportive the advisers are. They take as much time as necessary, particularly with the claimant commitment we have rolled out across the country, to find out what skills, tips and support claimants need. I know that that is working, which is why we have record figures. I shall take the issue up, however.

T8. [903366] **Dr Julian Huppert (Cambridge) (LD):** A number of my constituents have contacted me to say that they are having to wait six months or even longer for an assessment for employment and support allowance or the personal independence payment. Surely that is unacceptable. What will the Minister do to make sure those people get assessments that are both accurate and prompt?

The Minister of State, Department for Work and Pensions (Mike Penning): There are two separate answers to that question. On WCA, Atos is leaving and we will bring in a new contractor before moving to multiple contractors to ensure that the suppliers can do what is said on the tin, all without paying a single piece of compensation to Atos—[Hon. Members: "Hear, hear."] Exactly the opposite, actually—Atos will be paying it to us. Secondly, PIP is being rolled out. We need to ensure that we get it right, as the hon. Gentleman said, and we will make sure that we get it through quicker. We need to make sure that the assessments are correct rather than making mistakes.

T4. [903362] Julie Hilling (Bolton West) (Lab): My constituent, Lyn Ward, has had a lumpectomy, a mastectomy, chemotherapy and radiotherapy. Eleven months later, she is still waiting for her PIP assessment and in desperation has gone back to work, even though she is not yet fit. When will that be sorted out?

Mike Penning: As I said to the hon. Member for Cambridge (Dr Huppert), we need to make sure that we get it right as we roll out PIP. The hon. Lady can give me the details of the case if she would like. Thousands of cases have been handled correctly, and if there are mistakes we must ensure that they are addressed.

T9. [903367] **Steve Baker (Wycombe) (Con):** What recent assessment has the Secretary of State made of the innovation fund in helping disadvantaged young people?

Mr Duncan Smith: The innovation fund, which started with £30 million put in by my Department, has helped to build up the concept for social impact bonds, which will help to invest in the sort of projects that my hon. Friend is talking about. The trials have been to help children from the ages of 14 to 16 to get remedial education and to be job-ready. That has been a huge

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success and we will in due course publish the figures, but it opens the marketplace to new money from private investors and trusts.

Dame Anne Begg (Aberdeen South) (Lab): Last week, the Select Committee on Work and Pensions published a report that recommended that the backlog for the PIP assessment should be cleared before the Government continued with the migration from the disability living allowance to PIP. Will the Government accept that? Will the fact that Atos has now lost the contract for the WCA have an impact on PIP? What action has the Minister taken to speed up new claims for PIP?

Mike Penning: Atos leaving the WCA contract will have no impact on the PIP part of the contract. We are making sure that we speed it up as we go. Interestingly, as the Chair of the Select Committee knows, I have turned off the tap on reassessments so that we get the initial backlog done first. The backlog is taking too long, in my own Department as well as in the two providers, but we will get it right.

David Rutley (Macclesfield) (Con): Given the German Government's determination to clamp down on EU migrant benefit abuse, does my right hon. Friend agree that there is growing support among key EU member states for this Government's agenda on this vital issue?

Mr Duncan Smith: Yes, there is huge support in other countries. Recently, Mrs Merkel, the Chancellor of Germany, said:

"There is a need for clarity: who is entitled to claim social security in Germany, and under what conditions."

The Deputy Prime Minister of the Netherlands, among others, has said exactly the same. I am in discussions with many of my counterparts across Europe to make sure that we, as individual independent nations within the EU, will be able to impose the conditions we require to stop migrants coming here just to get better benefits than they would in their own country.

Mrs Mary Glindon (North Tyneside) (Lab): With thousands of PIP claimants waiting six months or more for even their medicals before they get anywhere near any money, will the Minister say exactly what penalties he is imposing on Atos and Capita for failing so abysmally?

Mike Penning: As I said in my previous answer, it is not just Atos and Capita that are too slow. They are under a contractual obligation to the Department and I am enforcing that contract, so where they are asked for compensation we will get that compensation.

Tim Loughton (East Worthing and Shoreham) (Con): One of the most satisfying ways for people to get into work is often by setting up their own businesses. I am always impressed by the young entrepreneurs mugging me in my constituency to buy something from their new business. Will my right hon. Friend update us on the progress of the new enterprise allowance, in particular on how it is helping our younger entrepreneurs?

Esther McVey: My hon. Friend obviously has very enthusiastic young constituents with vibrant businesses. He is right that the new enterprise allowance is helping young people aged 18 to 24, some 7% of whom have set

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up their own businesses. I have said that we are creating a new enterprise generation, as shown by the 2,000 new businesses a month, 7% of which are set up by those aged 18 to 24.

Mr Dave Watts (St Helens North) (Lab): Following last week's Budget, will the Minister assure me that if people exhaust their pension pots they will still be entitled to the full range of pensioner income-related benefits?

Steve Webb: Unlike the Labour party, we actually trust people with their own money. The people we are talking about have saved frugally for their retirement; they are not the sort of people to blow the lot. We will, of course, look at all the rules on capital in our Department and in the Department of Health in the light of the announcement to ensure that they are up to date, but I think the hon. Gentleman's view that older people will blow the lot is far from the truth.

Robert Halfon (Harlow) (Con): Is my right hon. Friend aware that unemployment in Harlow is now 600 lower than it was at the general election, and that the number of apprenticeships in the past year has gone up by 86%? Will my right hon. Friend pay tribute to the Jobcentre Plus and the agencies that are working well with the Government's Work programme to improve the unemployment and skills situation in Harlow?

Esther McVey: My hon. Friend is right to mention the people who work tirelessly to help people into work. All the staff at the Jobcentre Pluses, all the benefit staff and all those who work on the Work programme dedicate so much of their time to something that they believe in: getting people into work.

Andrew Gwynne (Denton and Reddish) (Lab): Frankly, the answers that Ministers have given so far on the Work programme defy belief. How can Ministers be satisfied with a Work programme where the latest data show that only one in five people, having spent two years on the programme, go on to secure a job that is sustained?

Esther McVey: I will give the hon. Gentleman the figures: 1.5 million people are now receiving support that they have never received before, and half a million of those have got a job. More than 252,000 of those who have been long-term unemployed now have a lasting job. The hon. Gentleman might not think that that is very good progress, but I would say

that it is revolutionary: it is turning people's lives around. I meet those people and they say, "You know what, I thought the world had given up on me, but not now. I've got a job and I can support my family."

Duncan Hames (Chippenham) (LD): I congratulate the Pensions Minister on the radical reforms he announced last week, which will be warmly welcomed by the retired secondary cancer patient whose case I raised with him before the Budget. How soon will people like her be able to get their hands on what is, after all, their own money?

Steve Webb: I am grateful to my hon. Friend, who did indeed raise the issue with me before the Budget. Short-term changes came into effect last week to raise the limits on

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things such as draw-down and, in the jargon, trivially commuting small pension pots. Legislation will go through for much greater liberalisation to come into effect in April 2015.

Natascha Engel (North East Derbyshire) (Lab): We read in *TheGuardian*—it must be true—that the Secretary of State is considering charging for appeals against DWP decisions. If someone has their benefits stopped, with what money are they supposed to pay to get justice?

Mike Penning: That is a matter for the Secretary of State for Justice, but we have no plans whatsoever to charge for appeals or tribunals.

Mr David Nuttall (Bury North) (Con): Does the Secretary of State agree that, when it comes to a jobs guarantee, in the real world there is no such thing as a guaranteed job and that new, genuine jobs can be created only by growing companies?

Mr Duncan Smith: What is interesting about the Opposition's view of a jobs guarantee is that their future jobs fund failed. We have introduced work experience, which costs a tiny proportion of what the future jobs fund cost—some £300, as opposed to £6,000 or nearly £7,000 a job—and as many people get into work and come off benefit as did under the future jobs fund. Labour's make-work schemes do not work, but our schemes, which get private sector employers to help, do. We are getting people back to work.

Bill Esterson (Sefton Central) (Lab): More than 15,000 people in my constituency, which is over 40% of those in work, earn less than the living wage. For millions of people the employment figures hide the reality of underemployment, zero-hours contracts and part-time, low-paid and insecure work. I wonder whether the Secretary of State can tell me how many of his constituents earn less than the living wage.

Mr Duncan Smith: I never heard Labour Members moan much about the living wage when they were in government, but all of a sudden it becomes an issue. The reality is that we are doing more to get people back to work, which gives them a chance to improve their living standards and incomes. The reality is that I took the decision to ensure that my Department pays the living wage, including to the cleaners. The Opposition never did that. I think that we stand ahead of them in that matter.

Philip Davies (Shipley) (Con): Has the Secretary of State noticed that when the spare room subsidy was first removed the Opposition and their mouthpiece of choice, the BBC, complained that too many people would be removed from their homes, yet last week Labour BBC was complaining that too few people have been removed from their homes? In the interests of fairness, surely taxpayers not on housing benefit who cannot afford a spare bedroom should not be expected to pay for a spare bedroom for people on housing benefit.

Mr Duncan Smith: The first and principal point is that this programme is saving over £1 million a day for hard-pressed taxpayers, many of whom, as my hon. Friend said, cannot afford a spare room themselves but were paying taxes to subsidise those who had spare

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rooms. The second point is that over 30,000 people who were once in overcrowded accommodation, left behind by Labour in terrible conditions, are now moving into better houses. This programme is a success. The Opposition did nothing about those people the whole time they were in government.

Mrs Anne McGuire (Stirling) (Lab): In my constituency the waiting time for PIP assessments is now 26 weeks. *[Interruption.]* After further investigation, I discovered that that is because of a lack of suitable accommodation in which to carry out assessments. Why was a contract signed with Atos when there were no suitable premises in my constituency in which to carry out PIP assessments?

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Mike Penning: I find it very hard to listen to that from a former Minister in the Government who signed the original contracts with Atos, and who seemed very happy with it at the time. We have removed Atos from that work. I will look into the particular situation the right hon. Lady refers to, but I find it very difficult when Opposition Members hark on about what to do about Atos when it was they who employed it in the first place.

Mr Speaker: I cannot identify the individual involved—I would not be in a position to do so—so I will simply tell the House collectively that blowing one's nose underneath a microphone is a distinctly risky enterprise.

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Yarl's Wood Immigration Centre (Detainee Death)

3.35 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab) (Urgent Question): To ask the Home Secretary to make a statement about Yarl's Wood.

The Minister for Security and Immigration (James Brokenshire): I am sure that the whole House will join me in offering our very sincere condolences to the family of the woman who died at Yarl's Wood yesterday. This was tragic news, and I was certainly very sorry to receive the information. The House will understand that what I can say at this stage is limited.

The established procedure in this situation is to bring in the police to look at the circumstances. Bedfordshire police are currently leading that work. No cause of death has yet been established. Once police inquiries are concluded, the established process is that the prisons and probation ombudsman will begin an investigation. That will happen in this case. However, our focus in the immediate aftermath must be to support the family and to keep public comment to a minimum until the circumstances of yesterday's sad news become clearer.

Following any death in detention, we ensure that detainees are offered counselling and access to a support plan. We review the detention of any individual in the centre who is considered to be vulnerable and ensure that they are given appropriate support. That also applies to staff working in the detention centre.

What I can say, in general, is that the operation of immigration removal centres is a serious responsibility that falls to the Home Office. Nobody involved in this work is in any doubt about the seriousness of the role. In taking on my role as Minister for Security and Immigration, I made it an early responsibility to visit an immigration removal centre to help me understand fully the range of issues connected to detention in such an environment; I visited Brook House and Tinsley House in February.

Like other immigration removal centres, Yarl's Wood is subject to oversight from Her Majesty's inspectorate of prisons, whose most recent report was published last October. There were some key recommendations for the Home Office to review. However, the assessment of the regime in general was that it was improving. I commend to the House Nick Hardwick's overall introduction to the report, which succinctly highlights the difficult circumstances of women in detention and the improvements that have been made to the regime. The report, and the Home Office's response to its recommendations, have both been placed in the Library.

The responsibility for the detention of immigration offenders is taken seriously by everyone involved; I underline that it is a personal responsibility. I hope that the House will understand that it is far too early to draw conclusions at this stage and that to indulge in speculation would be distressing to the family and irresponsible, given the seriousness of the issues involved.

Detention and removal are essential elements of an effective immigration system. It is important that our centres are well run, safe and secure and that our detainees are treated with dignity and respect, and provided with

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the proper facilities. Detainees' welfare is extremely important, which is why are committed to treating all those in our care with such dignity and respect. The House will be as distressed as everyone to hear of this news and will want the family and loved ones of the lady involved to know that they are in our thoughts and prayers at this difficult time.

Yvette Cooper: The whole House will agree with the Minister that the news of a 40-year-old detainee dying in Yarl's Wood is extremely sad. All our thoughts must be with the family and friends, and it is important that they should get appropriate support.

I welcome the Minister's response that a full investigation is in place. He will be aware that there are unconfirmed reports that the detainee was initially denied medical assistance. Can he assure the House that all those reports are being fully looked into as part of the police and wider investigations? He will also be aware that there are reports that Yarl's Wood had turned down offers of help from the local NHS for other women detainees who were distressed after witnessing the death. Is that the case, and what further support was provided to others at Yarl's Wood yesterday?

The whole House will agree that immigration rules need to be enforced, and that does require deportations. Some people need to be detained in advance of deportations, and that is never easy. The House will also agree that this must always be done humanely, with high standards and safeguards in place. Last October's prisons inspectorate report on Yarl's Wood referred to some dismissive responses from health staff within Yarl's Wood, and research by Women for Refugee Women says that many women detainees felt that they were not believed by health staff and raises concerns about physical and mental health support. What action has been taken about that?

What action have Ministers taken since last year's deeply disturbing reports of abuse of vulnerable women by Serco employees at Yarl's Wood, including having sex with women detainees and sexual bullying? We have not yet seen a full investigation into what happened and what action has been taken to prevent it from ever happening again.

The inspectorate has also said that women who had been abused or trafficked are still wrongly detained in Yarl's Wood. These are clearly very vulnerable women who need support, so what is being done to stop them being detained?

The Minister will be aware of the case of Yashika Bageerathi, who is being placed in Yarl's Wood just before her A-levels despite the Home Office guidance about not separating families and not moving teenagers just before exams. In the light of the concerns raised, will he personally review Yashika Bageerathi's case?

Given the continuing concerns about Yarl's Wood, will the Home Secretary commission a joint inquiry on its operations and the Serco contract by the prisons inspectorate and the independent chief inspector of borders and immigration, and will she then report swiftly back to the House?

I welcome the Minister's response to the question. He and I both agree that while immigration rules must always be

enforced, detainees must be treated humanely, and it is the Government's responsibility to ensure that both take place.

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James Brokenshire: I thank the right hon. Lady for the tone of her comments and the points she has made about this tragic incident. I certainly agree that it is important that we have a system that is firm but fair and treats those who are in our immigration removal centres in a humane and appropriate way. That is certainly the standard that I expect, and I know that that view is shared by the Home Secretary and all of us who have responsibility in this regard.

The right hon. Lady asked about the level of support provided to those at the centre. I have spoken to the centre director, John Tolland, about that. He has underlined the fact that there has been increased staffing, increased counselling is being provided, and additional pastor support has been arranged for those at the centre.

I am not in a position to comment on the specific points that the right hon. Lady raised, but I can assure her that they will have been heard by those with responsibility in the police and the inspectorate. Certainly, I would expect all issues to be thoroughly analysed and investigated appropriately, given the nature of this incident.

The right hon. Lady highlighted the issue of medical support and the overall regime at Yarl's Wood. She will be aware that the chief inspector of prisons, Nick Hardwick, conducted an unannounced inspection of Yarl's Wood, and it is worth highlighting his concluding remarks. He said:

"Yarl's Wood has had a troubled past, punctuated by serious disturbances and controversy surrounding the detention of children. This inspection found that the improvements we have noted since the detention of children ended have continued. Nevertheless, despite the good progress made, improvement continues to be necessary."

I entirely endorse that. There is a need for continued focus to ensure that we see further changes and improvements at Yarl's Wood. That is something that I will continue to focus on.

On health service support, specific recommendations that were contained in the inspector's report have been pursued and there has been further analysis of the health support required there. That has been sent to the NHS commissioners.

I reassure the House of the seriousness that we attach to the incident. We expect all issues to be properly investigated and pursued.

Mr David Burrowes (Enfield, Southgate) (Con): Given what we have heard about Yarl's Wood today, how does it make sense for my constituent, Yashika Bageerathi, to have been detained there for nearly two weeks now, away from her traumatised mother and family? Her plight has been championed by the students at Oasis Academy Hadley school and by over 170,000 people in an online petition. They want her back to continue her studies and to complete her A-levels in May. Given that Home Office policy says specifically that someone who is three months away from sitting a major exam will not be removed, will the Minister order the release of Yashika today and allow common sense and compassion to prevail?

James Brokenshire: I know that my hon. Friend has raised concerns about this case and I commend him for his customary focus on supporting his constituents, which he has underlined again in respect of this individual case.

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We consider every claim for asylum on its individual merits and this particular applicant was not considered to be in need of protection. The case has been considered carefully not simply by the Home Office but by the courts and tribunals, and has gone through the proper legal process. The decision has been upheld and supported by the courts. Given those circumstances and the extent and level of judicial and other scrutiny, the Home Secretary has indicated that she does not feel that it is appropriate to intervene. That remains our position.

Keith Vaz (Leicester East) (Lab): I associate myself with the comments made by the hon. Member for Enfield, Southgate (Mr Burrowes). The Minister is right to have started an investigation and to await its outcome, but the deaths of Jimmy Mubenga and Alois Dvorzac remind us of how careful we need to be in these matters. Last year the chief executive of Serco wrote to me to say that seven of his employees had been dismissed for inappropriate conduct at Yarl's Wood over the past few years. Does the Minister agree that even before the inquiry concludes, he needs to contact the private sector companies to remind them that they have a huge responsibility when dealing with people's lives, that they ought to treat those lives with great care and that they must have staff who are properly trained?

James Brokenshire: The right hon. Gentleman has highlighted some significant issues. There have been some shocking and disturbing cases in the past few years and he has referred to them. He will know that there are ongoing police investigations and criminal proceedings in those cases, which makes it difficult for me to comment on any specifics. I underline to him that the Home Office has conducted a review of the methods of restraint and the use of force in the difficult circumstances of removal. The development of new bespoke training packages for escorts during the removal process has been undertaken by the National Offender Management Service. An independent advisory panel for non-compliance management, chaired by Stephen Shaw, a former prisons and probation ombudsman, was appointed to assess the restraint techniques and the safety of the proposed systems. That panel's work is literally due to conclude in the next day or so and I look forward to its recommendations, because it is important that staff are fully cognisant and trained. Certainly, I underline the key message of holding responsibility for managing those in detention.

Sarah Teather (Brent Central) (LD): During my various visits to detention centres, I have been alarmed by the number of times I have heard from detainees that they have difficulty accessing health care, usually in direct contradiction to the reports being put out by management. The situation is particularly alarming given the number of detainees with serious health problems. The Opposition spokesperson, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), has referred to a report by Women for Refugee Women that highlights the number with particular health difficulties, and we know that those in detention often find that things get worse. What is the Minister doing to get underneath the skin of the data that management put out about access to health, and what is he doing to ensure that those with serious mental health

and physical problems are not in detention at all?

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James Brokenshire: I know that the hon. Lady has taken a close interest in these matters for some time, and I welcome her involvement and question. On the chief inspector's recommendations for Yarl's Wood, a health-needs assessment was conducted on behalf of the NHS last August. It has been shared with the NHS more broadly and I will certainly pursue the issues involved. I reassure the hon. Lady that those in detention are held there for the least amount of time practical and possible. Indeed, the advice and guidance on rule 35 reports —with which she will be familiar—have been refreshed and underlined. I certainly take the issue of medical support for those who are in need of assistance extremely seriously, and we will continue to focus on ensuring that appropriate medical support is provided in our immigration removal centres.

Stella Creasy (Walthamstow) (Lab/Co-op): May I also associate myself with the comments of the hon. Member for Enfield, Southgate (Mr Burrowes)?

The Minister talks about the importance of treating detainees with dignity and respect. He will know that, before yesterday's tragic incident, there has been a growing chorus of concerns about the experience of women in particular at Yarl's Wood: there are stories of sexual harassment and a number of the women detained have experienced rape or sexual violence in their home countries and have mental health problems. Given those concerns and what happened yesterday, will the Minister commit to meeting Women for Refugee Women so that he can hear at first hand its concerns about its work with the women at Yarl's Wood?

James Brokenshire: Certainly, I would be pleased to have such a meeting to hear the concerns and see whether any specific issues can be applied more broadly to the immigration removal centre system in general. I underline the fact that the chief inspector's summary report notes that there are daily "individual needs" meetings at Yarl's Wood to help discuss detainees who are vulnerable or otherwise of cause for concern before removal and they facilitate information sharing about risk. So much of this is about managing risk and highlighting need. Clearly, I want to see further improvements. It is right that there have been changes and advancements at Yarl's Wood, but more needs to be done and that is why we will continue to keep that in focus.

Mark Reckless (Rochester and Strood) (Con): The House will understand the Minister's reluctance to comment on particular cases, but does he agree that the general record of the police and the Crown Prosecution Service in these matters shows that there is no culture of impunity in this country for those involved in immigration detention, whether they are in the private or public sector?

James Brokenshire: That is why I have underlined the need to focus attention on how removals are conducted. They must be done in the right and proper way, with a sense of respect for those involved. It would be inappropriate for me to comment further in respect of individual cases, but I expect the highest standards to be undertaken. That is why we are also strengthening the training and guidance for those involved, to make sure that the highest standards are met.

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Steve McCabe (Birmingham, Selly Oak) (Lab): How many of the women detained at Yarl's Wood have been held for a period of three years or longer?

James Brokenshire: I am afraid that I do not have the details to hand, but I am very happy to write to the hon. Gentleman with further information on the duration of detentions at Yarl's Wood.

Richard Fuller (Bedford) (Con): May I thank the Minister for his thoughtful responses to questions? Many outside observers of Yarl's Wood would say that its management has improved in the recent past, but however good it is, we are still dealing with some very vulnerable women. Many of them have sought asylum here because they were victims of rape or abuse, and just because they could not prove that to an immigration official does not mean that it did not happen. The current process for detaining women for immigration purposes seems to me to be ineffective, costly and unjust. Will my hon. Friend take the opportunity, after this tragic incident, to bring a fresh pair of eyes to the whole process of the detention of women for immigration purposes?

James Brokenshire: I respect the close interest that my hon. Friend takes not simply in Yarl's Wood, but more generally. I underline the fact that there have been improvements at Yarl's Wood, and he referred to them. We are seeking to speed up decisions while maintaining high standards in asylum cases and more generally in the immigration system. That is why we took the decision to split the old UK Border Agency, with visas and immigration as a specific command in the Home Office—responding to and accountable to Ministers—to ensure that we improve our decisions and their timeliness.

Kate Green (Stretford and Urmston) (Lab): When previous reports of abuse against women in Yarl's Wood surfaced, a number of women believed that witnesses and victims were deported early to avoid their cases being followed up properly. Will the Minister absolutely assure the House that all relevant evidence, including witness evidence, will be gathered in the inquiries that he has instituted? When deportations are envisaged of people who might have evidence to offer, will the process be looked at very carefully so that the information is obtained properly?

James Brokenshire: It is right and proper that the ongoing police inquiry is pursued, and that the police should follow the evidence where it takes them. That is the right process. Clearly, we will support them in their ongoing investigations to ensure that they reach appropriate conclusions and, once they have finished their criminal investigations, that subsequent investigations are also concluded. I am certainly very clear that that needs to be pursued robustly and clearly to get to the facts of what has happened.

Bob Stewart (Beckenham) (Con): All Members of the House are greatly saddened to hear about the death of a woman in Yarl's Wood. Many of the people in Yarl's Wood are likely to be victims of the criminal gangs who got them into this country illegally. What measures is my hon. Friend taking to try to identify and deal with those criminal gangs?

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James Brokenshire: My hon. Friend highlights an important point about immigration, crime and the trafficking of people into this country, which I have described as the trade in human misery. That is why we will introduce a modern slavery Bill. It is also why the immigration enforcement command in the Home Office is working with the National Crime Agency and others to secure the best intelligence for pursuing the organised criminals exploiting and trafficking people into this country so that they can be brought to justice and feel the full force of the law.

Gavin Shuker (Luton South) (Lab/Co-op): Before the news broke on Sunday morning, someone called me to describe the scene that had been reported to them when talking directly to detainees. This person told me that the mood was panicked and that other women detainees had passed out from shock at what had happened. Will the Minister give me an assurance that additional resources were deployed to help with the situation as early as Sunday morning?

James Brokenshire: I can only say that the centre director, to whom I have spoken, has said that additional resources were deployed and that additional support has been given to those in detention. I am sure that all the facts of the case will be pursued and investigated, and that will certainly cover the manner in which the incident was handled after the news broke. The centre director has told me that, recognising the distress caused by this tragic news, reassurance was given to those in detention and that further ongoing support is being provided.

Dr Julian Huppert (Cambridge) (LD): I add my support to the condolences and the plea for common sense in the case of Yashika. There is no doubt that Yarl's Wood has improved, not least with the ending of child detention, which was simply inhumane—I am glad we have stopped it. However, this country continues to be unique in routinely detaining migrants without any time limit, at huge expense—according to one estimate, it is £75 million. Will the Minister look at alternative, community-based solutions such as in Sweden, which gets a higher returns rate, costs less and is more humane?

James Brokenshire: We always look at ways in which detention is minimised. However, in a system in which we seek to remove, detention can and should be a means of managing that process. Certainly, we continue to monitor the situation carefully. I hear the point the hon. Gentleman makes, but there are no easy solutions. Sadly, we need to detain in some circumstances to ensure that our removals process operates effectively.

Mr Jim Cunningham (Coventry South) (Lab): What assessments are made of those women before they go into detention? Is there a medical check on their physical or mental status? How are they assessed?

James Brokenshire: Medical support is provided at each immigration removal centre and, when someone arrives, risk assessments are conducted. That was the process I saw on the visit I undertook to an IRC a few weeks back. It is about managing risk and ensuring that issues that need to be identified are picked up at the outset. I hope I can assure the hon. Gentleman that

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steps are taken when new arrivals appear at IRCs to ensure that issues or any support required are appropriately identified.

Henry Smith (Crawley) (Con): Will the Minister confirm that the Government are making improvements to the way in which the immigration detention centre estate operates, particularly at Brook House, Tinsley House and the family Cedars centre in the Gatwick area?

James Brokenshire: I have been to Brook House and Tinsley House to see for myself the operating environment and conditions there. I have seen the focus given to ensuring that immigration removals centres are humane places to be, and that appropriate standards are undertaken. An inspection regime underpins that, but I can assure my hon. Friend of the focus, seriousness and weight of responsibility that the Government feel on such matters to ensure that the regime is continually monitored. Improvements can be made—significant improvements have been made over the past few years, but we need to do more.

Andrew Gwynne (Denton and Reddish) (Lab): In an earlier answer, the Minister referred to a review being conducted by the National Offender Management Service, which is welcome, but on the allegations of inappropriate sexual contact at Yarl's Wood, what examination is the Minister undertaking of Serco policy, management and staff supervision?

James Brokenshire: As I have highlighted, and as the chief inspectorate of prisons report highlights, further improvements are required. Steps have been taken, but serious reports have been made in the past. Yarl's Wood has a troubled past, but steps have been taken to move it forward. I can assure the hon. Gentleman that I, as a relatively new Minister for Security and Immigration, am focused on seeing that standards are further improved, and on ensuring that our immigration removal centres, which are necessary, do their work in a humane and fair way as part of supporting our immigration policy.

Greg Mulholland (Leeds North West) (LD): The appalling treatment of my constituent, Enid Ruhango, and her room-mate, Sophie Odogo, led to the damning 2006 report by Her Majesty's inspectorate of prisons. I am delighted to say that the courageous Enid is now living, as she should, as a member of the community in Leeds. Will the Minister tell me and the House exactly what was learned from that report in terms of access to medical treatment and humane treatment during transportation?

James Brokenshire: Significant changes and improvements have been made, including to the commissioning functions that the NHS has in respect of providing appropriate medical support in immigration removal centres. We constantly learn from cases as we seek to prevent further tragic incidents. I assure my hon. Friend that we will continue to do that, and I will focus on these issues of medical support in respect of Yarl's Wood. A report has been commissioned, and I will pursue the matter.

Charlie Elphicke (Dover) (Con): In reviewing this tragic case, will the Minister consider carefully the strong and passionate case that has been made over a long period by my hon. Friend the Member for Bedford (Richard Fuller)? Does the Minister also agree that too

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many people are in these institutions for too long, including the Dover removal centre, and we should hurry up the processing as much as we can?

James Brokenshire: I agree that we should always seek to minimise the time that someone spends in detention, but appeals can often delay matters. The Immigration Bill will reduce appeals from 17 to four. We want to ensure that we have a firm but fair system, and that is what we will deliver.

Duncan Hames (Chippenham) (LD): I wholeheartedly support the appeal made by my hon. Friend the Member for Enfield, Southgate (Mr Burrowes). How can a Government who are rightly proud to have ended child detention for immigration purposes keep an 18-year-old, who is a star pupil at her school, out of the classroom and in detention at Yarl's Wood? What lessons should her fellow pupils learn from this episode?

James Brokenshire: I understand the concern my hon. Friend has expressed. I should just mention that the individual is 19, not 18. This case has been considered carefully by the Home Office and the courts, and it has been ruled that humanitarian assistance is not appropriate. The Home Secretary has indicated that it is not appropriate for us to intervene in such circumstances.

BILL PRESENTED

Recall of Members of Parliament

Presentation and First Reading (Standing Order No. 57)

Zac Goldsmith, supported by Mr Douglas Carswell, Mr Graham Stuart, Mr Dominic Raab, Nick de Bois, Mark Reckless, Mr Frank Field, Kate Hoey, Mr Michael Meacher and Caroline Lucas, presented a Bill to permit voters to recall their Member of Parliament in specified circumstances: and for connected purposes.

Bill read the First time; to be read a Second time on Friday 6 June, and to be printed (Bill 193).

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Wales Bill

[Relevant documents: Fourth Report from the Welsh Affairs Committee, on the Pre-legislative scrutiny of the draft Wales Bill, HC 962, and the Government response which has been deposited in the Library.]

Second Reading

4.7 pm

The Secretary of State for Wales (Mr David Jones): I beg to move, That the Bill be now read a Second time.

The legislation before the House today delivers an ambitious package of devolved powers for Wales, including powers providing incentives and opportunities for the Welsh Government to grow the Welsh economy and increase prosperity; powers making the devolved institutions in Wales more accountable for raising some of the money they spend; and powers that make devolved governance in Wales fairer.

The Government have a strong record on Welsh devolution. We have delivered a referendum on full law-making powers, established the Silk Commission on Devolution in Wales, which has since published two comprehensive reports, and have now introduced the first Wales Bill in more than eight years. The Bill implements most of the recommendations that the Silk commission made in its first report. I wish to record my thanks to Paul Silk and his commissioners for the dedication and hard work with which they reviewed the case for devolving fiscal powers to the National Assembly.

The powers devolved to Wales by this Bill will, for the first time, make the devolved institutions in Wales—both the Welsh Government and the Assembly—directly accountable to the electorate for raising some of the money they spend. The Bill will give the Welsh Government more levers to enable it to deliver sustainable economic growth in Wales. It will also deliver borrowing powers that will allow the Welsh Government to invest more in critical infrastructure, not only in transport links such as the M4 and the A55, but in schools and hospitals.

The Silk commission included commissioners from all four political parties in the Assembly, and reached unanimous agreement on its recommendations. I hope that the same spirit of co-operation and broad consensus will extend to all parts of this House today in respect of the Bill.

Let me turn to the detail of the legislation. The Bill provides that the Assembly will assume responsibility for devolved taxes. These are, initially, a tax on land transactions and a tax on disposals to landfill, replacing stamp duty land tax and landfill tax in Wales. The commission recommended the devolution of both taxes. This will put new economic levers in the hands of the Assembly and the Welsh Government.

Geraint Davies (Swansea West) (Lab/Co-op): What does the Secretary of State say to the Mayor of London, Boris Johnson, who has now asked for stamp duty to be devolved to London, which would give him £1.3 billion? Is this not a charter for the proliferation of all sorts of competitive taxes across different parts of the United Kingdom?

Mr Jones: It seems to me that that is a concern of the Mayor of London and does not really fall within the scope of today's discussion.

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Our proposal will put new economic levers in the hands of the Assembly and Welsh Government, while also providing independent streams of revenue to facilitate borrowing. It will help Welsh Ministers to grow the Welsh economy and ensure that its performance has a direct impact on their budget.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In devolving those minor taxes, the UK Government are conceding the principle of fiscal empowerment for the Welsh Government. Why does the Secretary of State therefore feel the need to require a referendum on devolving income tax?

Mr Jones: Simply because it is an important constitutional step. It was given to the Scottish people in 1997, and we feel it is necessary to pay equal respect to the people of Wales on the occasion of the proposed devolution.

Hywel Williams (Arfon) (PC): Is it the principle of devolution or the practice—the specific nature of income tax devolution —that requires a referendum?

Mr Jones: Clearly it is the devolution of income tax, and I would remind the hon. Gentleman that this was specifically recommended by the Silk commission.

Jonathan Evans (Cardiff North) (Con): Has my right hon. Friend noticed in recent days—not just from the interventions so far, but from some Labour Back Benchers—the idea that there should not be a referendum and that the matter should be left to a general election, depriving the people of Wales of a vote?

Mr Jones: Yes, I have heard that, certainly from those on the Plaid Cymru Benches. I would simply repeat that it is appropriate that the people of Wales have their voices heard on such an important matter.

The Bill also provides a mechanism for additional taxes to be devolved in future, with the approval of both Houses of Parliament and the Assembly. I am pleased that the Bill delivers new borrowing powers to the Welsh Government—again, as recommended by the commission. As for capital borrowing, we are providing the Welsh Government with the ability to borrow up to £500 million to invest in capital infrastructure in Wales. That is a generous limit, allowing the Welsh Government to get going on the much needed upgrade of the M4 around Newport. It also reflects the independent funding streams for which the Welsh Government will assume responsibility through the two devolved taxes and is a limit that can be increased in future if the Welsh Government become responsible for additional taxation, including income tax.

Alun Cairns (Vale of Glamorgan) (Con): Does my right hon. Friend not agree that the project for a new motorway around Newport is essential? There has been far too much delay—it was cancelled by the Labour Administration back in 1997, despite the previous commitment. Today's announcement is basically the green light for the project to go ahead.

Mr Jones: Indeed. I think that everyone in the south Wales business community recognises that the M4 is indeed a foot on the windpipe of the economy and we

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are anxious to see it upgraded. The competence that we shall be giving the Assembly Government—in fact, we have already extended it to them—will enable them to proceed as quickly as possible with that essential upgrade.

Chris Bryant (Rhondda) (Lab): While we are on infrastructure improvements, the Government here have much boasted that they will be electrifying the valleys lines. Every time they seemed to suggest that they would pay for it, but now it seems they are refusing, so who will actually be paying for the electrification of the valleys lines?

Mr Jones: We are skiing somewhat off piste, because that is not within the competence of this Bill, but there is clear correspondence between the Assembly Government and the Department for Transport on how the upgrade would be funded, and it is absolutely clear that the Welsh Government were paying for the upgrade of the valleys lines.

Owen Smith (Pontypridd) (Lab): Does the Secretary of State wish to deny that he said on several occasions that it was his Government who were paying for the electrification of the railways in Wales, including the valleys lines?

Mr Jones: What I will say is that we made it absolutely clear that this Government were paying, directly and indirectly, for the upgrade of the main line as far as Swansea and for the valleys lines. I think that if the hon. Gentleman has a word with his friend the First Minister, he will find that there was an exchange of correspondence between the two Administrations which made the funding arrangements very clear, as did an e-mail from the Office of Rail Regulation.

Geraint Davies: Will the Secretary of State give way?

Mr Jones: No; I will make some progress.

The Bill also provides for a referendum to be held in Wales on the devolution of an element of income tax, should the Assembly decide to call one. The Silk commission recommended that income tax devolution should be subject to a referendum, as it was in Scotland in 1997, and the Government agree with that recommendation. As I have said in the House on several occasions, I should like the Assembly to call a referendum as soon as it is able to do so, and I personally would support a yes vote in such a referendum. It would make the Welsh Government, and the Assembly, significantly more accountable to the people who elect them.

Stephen Mosley (City of Chester) (Con): Has my right hon. Friend been able to give any consideration to the impact that changing tax rates in Wales will have on cross-border regions, particularly the economic sub-region that covers Chester and north-east Wales? Has any assessment been made of what would happen if the rates on the two sides of the border were different?

Mr Jones: Indeed. As my hon. Friend will know, there was a separate consultation on that very issue. It is another element that will be taken into consideration during the debate on the referendum.

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Wayne David (Caerphilly) (Lab): The Secretary of State has put it on record that in his view the Barnett formula is coming to the end of its life. What progress have the Government made in reforming it?

Mr Jones: We have made it very clear that we need to rebalance the finances of this country before we will consider that. Let me remind the hon. Gentleman, however, that in October 2012 there was a specific agreement between the Welsh Government and the Treasury that on the occasion of each spending review there would be an assessment of the issue of convergence, and that is indeed what happened on the last occasion.

Owen Smith: The Secretary of State said a moment ago that he would be voting yes and campaigning for a yes vote in a referendum on tax-varying powers. May I take him back to the time when he was a Member of the Welsh Assembly? In his maiden speech, he said:

"We have no tax-raising powers-long may that state of affairs continue."

When did he change his mind?

Mr Jones: That was some 12 years ago, and, of course, we all change our minds. I am sure that the hon. Gentleman changed his mind in the light of his experiences in the Blaenau Gwent election, the first election that he fought.

David T. C. Davies (Monmouth) (Con): As one who has not changed his mind, may I ask whether the Secretary of State was as surprised as I was to read in the *Western Mail* that Opposition Members are offering to give the Assembly the power to raise income tax by up to 15%—and this only a few years after they all seemed to agree that the Assembly had the tools with which to do the job?

Mr Jones: Indeed: a Damascene conversion. The hon. Member for Pontypridd (Owen Smith) is a particular enthusiast—he now believes that 15p should be devolved to the Assembly, whereas as recently as 5 February he clearly stated that he did not believe in any tax devolution at all. He will clearly have some interesting explaining to do later in the debate.

Owen Smith: I think that the Secretary of State has just misquoted me. He will know that what I have said previously in the House on several occasions is that I do not believe in tax competition.

Mr Jones: The hon. Gentleman changes his mind with astonishing regularity. For example, on 5 February, in a Welsh Grand Committee debate, he said:

"I do not believe for a moment that having additional responsibility for tax-varying powers would confer any extra degree of accountability on the Welsh people."—[*Official Report, Welsh Grand Committee,* 5 February 2014; c. 18.]

However, during last weekend's speech to the Welsh Labour party conference, he spoke glowingly of the prospect of devolving 15p in the pound and said that that would

"increase both the accountability of the Assembly and its borrowing capacity too."

He is clearly a bit at odds with himself, and we look forward to hearing what he has to say later on.

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Mr Peter Hain (Neath) (Lab): Will the Secretary of State explain how, with income tax devolution, Wales will continue to benefit—like, for example, north-east England, a comparable area, does—from the redistribution of income and wealth that comes through the Barnett formula, albeit imperfectly, from the 40% of GDP that exists in London and the south-east of England if income tax is devolved?

Mr Jones: That is an important point and it is a matter that would have to be debated in a referendum. My own view, as the right hon. Gentleman knows, is that Wales would benefit from a modest reduction in the rate of income tax, but I have to remind him that all we are talking about is a referendum that would empower the Welsh Government to decide on the rate of tax they want to charge the Welsh people. If they decided they did not wish to do that, there would be no compulsion on them to do so. However, it would provide Wales with an additional borrowing stream referable to the level of income tax devolved. It would also provide a powerful incentive to the Assembly Government to grow the Welsh economy, because clearly the more the economy grows, the more would be the revenue.

Mr Hain: I understand the Secretary of State's point. However, I find it very interesting that he has not got an answer to my question—namely, how would Wales continue to benefit from the vast wealth that exists in a relatively limited area and is redistributed right across the UK? The fact that he does not have a clear answer makes me extremely sceptical about this entire proposal.

Mr Jones: Clearly, Wales would not be deprived of Barnett consequentials; the right hon. Gentleman knows that. We would have an additional tool for the Welsh Government to use, should they decide to do so, in growing the Welsh economy. I would have hoped he would be bold, because he has spoken in the past of the need to grow the private sector in Wales. I would have thought a small differential in the rate of tax would be a significant incentive to that private sector growth.

Mr Hain: The Secretary of State is being generous in giving way, but this is an important point. The Barnett consequentials will continue to come through from that portion of income tax which remains reserved to the Treasury, but the bit that is devolved under the scenario the right hon. Gentleman proposes would not, unless there was some kind of compensating mechanism which is not described. That is what makes me extremely sceptical about this.

Mr Jones: Some of what is passed to the Assembly would be subject to indexation every year. This would take into account

both growth and contraction in the wider UK economy, so there is a mechanism built into the Bill that addresses the right hon. Gentleman's point.

Mark Tami (Alyn and Deeside) (Lab): As the hon. Member for City of Chester (Stephen Mosley) has made clear, this is not just about the Welsh economy; it is about the cross-border economy. Changing tax rates, whether personal or business, will obviously have an impact both sides of the border.

Mr Jones: The hon. Gentleman is entirely right, which is why the Government went out to further consultation before announcing their response to the

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commission's recommendations. Again, these are points he would no doubt raise in the context of a referendum debate, and given the view he has just expressed, he would clearly be voting against the proposal.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I congratulate the Secretary of State on introducing this Bill. I approve of virtually all its contents. I was reading a document produced by the Government in March this year on financial empowerment and accountability, and I was greatly heartened to read that if the Welsh rate of income tax is implemented following a referendum, the Government have accepted the Silk commission's recommendation that the block grant adjustment should be determined using the index reduction mechanism originally proposed by the Holtham commission. If I remember correctly, those proposals were supported by the Labour party. It goes on to say:

"The detailed operation of the system will be discussed with the Welsh Government.".

Surely that is the assurance that we need to hear and that will make sure Wales gets its fair share.

Mr Jones: My right hon. Friend is entirely right. The indexation proposals would amount to a damp, which would effectively smooth out any peaks and troughs in relation to overall UK income and act as a strong reassurance to the Assembly Government. While I am on my feet, I would like to thank my right hon. Friend for her part in commissioning the work of the Silk commission in the first place.

Wayne David: Has the Secretary of State resolved his differences with the leader of the Conservative group in the Welsh Assembly on income tax devolution?

Mr Jones: The leader of the Conservative group in the Welsh Assembly, and indeed the group as a whole, fully support the legislation before us.

Owen Smith: Will the Secretary of State explain how the indexation method works? Has the Treasury done any analysis on whether the Welsh people would be better or worse off if the rates were not amended at all in Wales? At the moment, that is unclear.

Mr Jones: It should be entirely clear to the hon. Gentleman, because the Under-Secretary of State for Wales, my hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) took the trouble to write to the Chairman of the Grand Committee, the hon. Member for Gower (Martin Caton), on 10 February, setting out these matters in great detail. I know that a copy of that letter was sent to the hon. Gentleman, and he will know, having read it, that the provisions are as follows:

"In the first year of operation (and any transitional years) the block grant adjustment will equal the amount of tax revenue generated by the Welsh rate of income tax set at 10p. It is important to note the following:

This is the amount of income tax forfeited by the UK Government as a result of reducing the main rates of income tax by 10p in Wales. If the Welsh Government sets a rate of 10p then there will be no impact on their budget compared to current arrangements. By setting a rate of, for example, 11p or 9p the Welsh Government can increase or decrease its budget (respectively) compared to current arrangements, as the block grant adjustment will still be

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based on the 10p forfeited by the UK Government. That means that the higher or lower revenue resulting from a rate of 11p or 9p (rather than 10p) would not be netted off the block grant."

Chris Bryant: Riveting.

Mr Jones: Well, the hon. Member for Pontypridd had not read this letter, so I am reading it out to him. It goes on:

"In subsequent years the initial deduction is indexed against movements in the UK NSND"-

that is, not savings, not dividends-

"income tax base. That means that if the UK NSND income tax base contracts by 2%, the block grant adjustment will decrease by 2%; if the tax base grows by 2%, the adjustment will increase by 2%."

That should have been absolutely clear to the hon. Gentleman, but he clearly did not read the letter, so I am glad to have had this opportunity to acquaint him with its contents. It clearly contains the reassurance that he seeks.

Owen Smith: Will the Minister give way?

Mr Jones: No, I will not give way.

Subject to the outcome of a referendum, the legislation provides for the introduction of a Welsh rate of income tax. The main UK rates of income tax would be reduced by 10p for Welsh taxpayers, and the Assembly would be able to set a new Welsh rate—a whole number or half a whole number—which would be added to the reduced UK rates. The rest of the income tax structure would remain a matter for this Parliament.

The Silk commission estimated that reducing the Welsh rate of income tax by 1p would cost the Welsh Government around £185 million, without taking account of any gains resulting from people moving to Wales to take advantage of lower tax rates. That is not an insignificant amount of money, but lower rates of income tax would boost the spending power of working people in Wales and bolster growth in the Welsh economy. Stronger economic growth in Wales could deliver a real boost in tax revenues, providing the Welsh Government with more resources to invest in devolved services and infrastructure across Wales.

Some Opposition Members, most notably the hon. Member for Pontypridd, have suggested that the devolution of an element of income tax is some sort of unspecified coalition trap, set to ensure the Welsh Government.

Geraint Davies: May I ask for clarification on something, because my right hon. Friend the Member for Neath (Mr Hain) talked about the levels up to the current rate? At a marginal tax rate of one extra penny, the gross value added in Wales is 70% that of the UK. My understanding is therefore that the extra penny charged locally in Wales would generate less income than an extra penny charged across the UK and then transferred over to Wales—so we would lose out, would we not?

Mr Jones: For the reasons I have explained, there would be no loss. May I remind the hon. Gentleman, as I reminded the right hon. Member for Neath, that there would be no compulsion on the Assembly Government to change the rate of tax? This is simply an issue of whether or not the competence should be devolved. Once it is devolved, it is then a matter for the Assembly to decide what the Welsh rate of tax should be.

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Jonathan Edwards: The Secretary of State mentioned that one of the main reasons for devolving income tax was to incentivise the Welsh Government, yet he handcuffs them with his proposed lockstep, which was not included in the Silk recommendations. In the unlikely event of a no vote in Scotland, does he expect the lockstep to remain in Scotland following its referendum?

Mr Jones: I am not here to speculate on what will happen in Scotland in September, but I will talk about the lockstep in a moment—no doubt the hon. Gentleman will be paying close attention and intervening as he considers appropriate.

The reality is that this legislation—income tax devolution following a referendum—is a real opportunity to be seized with both hands by the Welsh Government. It is an opportunity to make Wales more competitive and to make the Welsh Government more accountable, as the hon. Member for Pontypridd now agrees. Our challenge to those who view the devolution of income tax negatively is not to shy away from this opportunity, but to seize the moment with enthusiasm and support the proposals in this Bill for a referendum on income tax devolution.

The Silk commission recommended that the Welsh Government should be able to set separate Welsh rates of income tax for each of the three income tax bands, but the Government believe that a single Welsh rate for all three bands—the so-called "lockstep"—is the right system for Wales. The same system is being introduced in Scotland under the Scotland Act 2012. The Government have a responsibility to take a UK-wide view: to consider the interests not only of Wales, but of the United Kingdom as a whole, including Wales. If the devolution of income tax is supported in a referendum, the lockstep mechanism would be the best way to maintain a progressive tax system that redistributes wealth across the whole of the UK but does not unnecessarily benefit one part of the UK at the expense of another.

The Bill also devolves responsibility to the Assembly for its own budgetary arrangements, so that it can establish new procedures for scrutinising and setting the annual budget. That was also recommended by the Silk commission, and by the Welsh Affairs Committee following its pre-legislative scrutiny of the draft Wales Bill. The Bill before us today and the Command Paper the Government have published alongside it have benefited greatly from the Select Committee's thorough and rigorous scrutiny, and I am grateful to all hon. Members on that Committee for their hard work.

Although the majority of the Bill is devoted to fiscal devolution, the legislation also implements a number of other important reforms: it permanently moves the Assembly to five-year terms; it removes the prohibition on dual candidacy; and it makes provision to preclude Assembly Members from simultaneously being Members of this House. Those are all changes which we consulted on in our Green Paper in 2012. The move to permanent five-year terms will make it less likely that Assembly elections will clash with UK general elections, now that the length of Parliaments is fixed at five years. It is important that Assembly elections should be contested, wherever possible, on issues specific to Wales, and the Bill ensures that they will not be overshadowed by the wider issues that often dominate elections to this House.

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Chris Bryant: The Secretary of State has used the word "accountable" 14 times so far in his speech and has talked about how this Bill will make politicians in Wales more accountable, but it is going to mean that there will be fewer elections. Does that not make them less accountable?

Mr Jones: I would not have thought so. By the way, I am grateful to the hon. Gentleman for counting how many times I have used the word "accountable". That now makes 15. I would have thought that he would be concerned to ensure that Assembly elections were not overshadowed by general elections, and that in my book makes for accountability.

Mr Mark Harper (Forest of Dean) (Con): I am surprised by the hon. Gentleman's intervention. When the Fixed Term Parliaments Act 2011 was going through this House, it was Labour's First Minister in Wales who agreed that the date of the Assembly election in Wales should be moved to 2016 so that it would not coincide with the general election. The hon. Gentleman does not seem to be joined up with his own party.

Mr Jones: My hon. Friend was involved in that Bill, and he is of course entirely right.

Chris Bryant: The thing is, it is the former Minister who is not very joined up with his own memory. At the time, Labour voted for a four-year fixed-term Parliament in here, which would have meant a four-year fixed term for Wales as well. In that way, we would not have had to coincide and we would have had greater accountability. Let us have a general election now, shall we?

Mr Jones: As we have five-year terms for general elections, we take the view that we should also have five-year terms for Assembly elections.

The removal of the ban on dual candidacy restores the position to how it was in the Government of Wales Act 1998. I believe that the change is supported by all parties other than the Labour party, which introduced the ban in the first place. The ban on so called "double-jobbing" between the Assembly and this House addresses legitimate concerns about whether it is possible for someone adequately to represent constituents' interests in two elected legislatures at the same time.

The legislation also implements several changes that have been specifically requested by the Welsh Government, including formally enshrining that name—the Welsh Government—in statute, as it has been common parlance for the Welsh Assembly Government to be so referred to for several years now.

In responding to the Silk commission's recommendations, the Government made it clear that we were unconvinced by the case for devolving air passenger duty to Wales, so the Bill makes no provision for that. Neither does it make provision for the full devolution of business rates. That is because, in terms of legislative competence, business rates fall within the devolved subject of local government finance and so we need make no further provision in this Bill. In order fully to devolve business rates, the Government are amending current funding arrangements so that the Welsh Government benefit directly from revenues raised by that tax in Wales.

31 Mar 2014 : Column 615

Finally, as I said in my written statement to this House on 3 March, we do not see this Bill as an appropriate vehicle for implementing the recommendations made by the Silk commission in its second report. The commission's second report raises crucial questions about the future governance of Wales within the United Kingdom, and it would not be right to rush into implementing its recommendations without careful assessment. It is essential that we take the time needed to get things right. Consequently, the Bill is focused on devolving the package of tax and borrowing powers to Wales recommended by the commission in its first report. Including a whole raft of other powers would merely serve to delay the Bill and jeopardise its enactment before the 2015 general election.

The Government believe that devolution should be used to give a competitive edge to Wales, and that powers devolved should be used to grow the Welsh economy and make Wales a more prosperous place. The Bill will deliver that. It will make devolved governance in Wales fairer, more accountable and better able to support economic growth. I hope, and I believe, that we can achieve a broad consensus in this House around this Bill, and make rapid progress. I commend the Bill to the House.

4.38 pm

Owen Smith (Pontypridd) (Lab): This is an important debate and an important Bill. There are four broad issues under discussion. The Secretary of State has described some of them—some in more detail than others. I shall explain to the House why he glossed over some of them. The four areas I want to discuss are the electoral arrangements, the devolution of the minor taxes, the borrowing powers—the amount of borrowing in particular—and the devolution of income tax varying powers for Wales.

Let me start with electoral arrangements, which the Secretary of State glossed over in just a few phrases. The reason for that will become clear. The changes in the Bill include a reversal of the Government of Wales Act 2006 ban on candidates standing both under first past the post and on the proportional representation list in Wales. The reason that the previous Labour Government decided to introduce that ban ought to be well understood by the Secretary of State, as it stemmed from a Tammany hall-style example of an election that took place in his constituency of Clwyd West in 2003. On that occasion, the winning Labour candidate was elected on first past the post, while the losing Liberal Democrat, Conservative and Plaid Cymru candidates were also all elected, by the back door and on the back list—Tammany hall in Clwyd West. The system was designed by an earlier Labour Government, but we decided that it was clearly at odds with democracy in Wales. We decided that the people of Wales would not understand how losers could become winners.

Jonathan Evans: How can the hon. Gentleman say that that was by the back door? In essence, he is saying that those people who serve on regional lists are lesser Members of the Assembly than constituency members under a system that his Government introduced.

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Politics

Who sat with whom at the Conservative party fundraising dinner with an £11bn guest list

This is a table-by-table breakdown of some of the business tycoons, foreign investors and lobbyists who were invited to the Tories' annual summer fundraiser at Old Billingsgate market in London on 24 June 2013.

The information is based on the guest list leaked to the **Bureau of Investigative Journalism** and the Guardian.

Donations as recorded in the Electoral Commission register since it began in 2001

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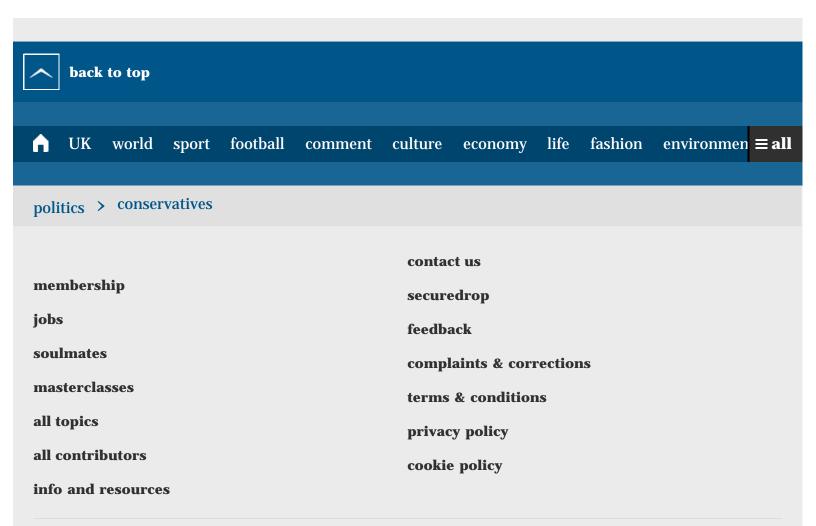
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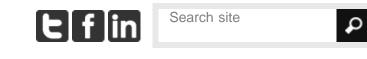
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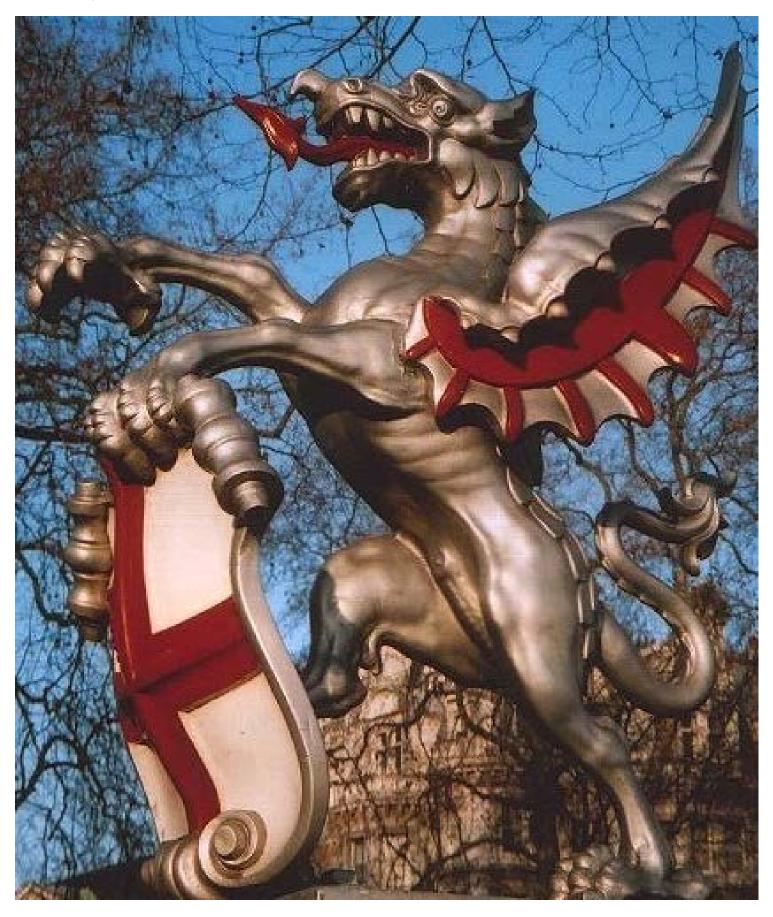
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The Bureau is a not-for-profit research organisation. It pursues in depth journalism that aims to educate the public about abuses of power and the undermining of democratic processes as a result of failures by those in power to accord with fair legal and transparent practices.

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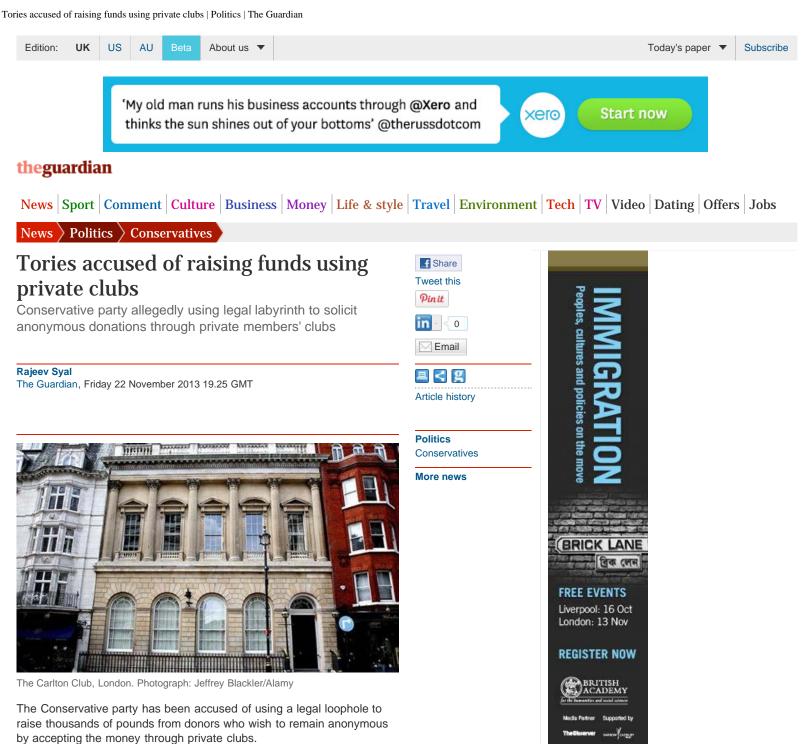


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The Carlton Club, in St James's, London, and the United and Cecil, a supper club that raises money through grand dinners, have accelerated their donations to marginal seats, according to new figures.

In the last quarter, 34 Conservative associations, all in marginal seats, received between £2,500 and £7,500 from the two clubs, totalling £116,600.

Before the last guarter, these two clubs had not donated to Conservative associations since the last election.

According to Electoral Commission rules, any individual or organisation who gives more than £1,500 a year to a local association is supposed to be identified on public registers on the commission's website.

However, a donor who gives through a members' club is only named by the commission if their gift is in excess of £7,500. There is also no way of monitoring multiple gifts of up to £7,500 to multiple clubs.

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A Conservative party spokesman said: "Every donation to the party is registered in a clear and transparent way and in accordance with the rules." Neither club was available for comment when contacted by the Guardian.

But Labour's Kevan Jones MP said that the Tories appeared to be using the clubs as a way of diverting money to marginal seats while keeping the identity of donors hidden from public view.

"It looks like David Cameron's Tories are now pumping thousands of pounds into a marginal seat campaign through supper clubs funded by anonymous donors. Questions must be asked about whether the Tories are using a loophole in the rules to avoid scrutiny of big money donations and why David Cameron, who once said that sunlight was the best disinfectant, feels the need to raise money in this way," he said.

The Conservative party has received a total of £1,543,330 from the Carlton Club and the United and Cecil Club since 2001 - of this £1,248,125 has been donated since Cameron became leader.

More than £870,000 has come from the Carlton Club, the elite gentlemen's club whose members include Boris Johnson, Cameron and the father of the house, Sir Peter Tapsell. The donations have been to the national party and constituency parties.

Recent association gifts were given to Weaver Vale in Cheshire, where Graham Evans is defending a majority of less than a thousand. Other seats that receive Carlton funds include Chippenham and Halifax.

The United and Cecil Club, which has Cameron as its honorary president, has donated a total of £673,195 to the Conservatives. Nearly half of this has been donated directly to local Conservative associations.

The club, which is based in a residential home in Iver, Buckinghamshire, raises money through exclusive dinners attended by MPs and their friends, according to one Tory MP.

Between July and September this year, 34 Conservative associations received between £2,500 and £7,500 from the Carlton club and the United and Cecil club – totalling £116,600. None of the donors to the clubs in the last quarter would have to have been declared.

Before this, the United and Cecil club had not made any donations to local Conservative associations since April 2010, and the Carlton club political committee had not made any donations to local Conservative associations since May 2010 – suggesting that the two organisations are moving back to an election footing, supporting marginal seats.

Most of the associations given donations are in Conservative-held seats – suggesting that the Tories are more focused on a defensive election strategy than their public announcements have claimed.

In total, both clubs have donated to seven Lib Dem-held seats, seven Labour-held seats and 20 Conservative-held seats including two separate donations to the association of assistant whip Amber Rudd in Hastings & Rye.

When the Guardian approached the United and Cecil club by telephone for a response, a worker there said she would pass a message on to an executive member, but no one responded.

A spokesman for the Carlton club was unavailable for comment.

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How Kremlin got diplomats to woo Tories

Russian embassy staff instructed to deepen 'co-operation' with troubled Conservative Friends of Russia

Luke Harding

The Guardian, Friday 30 November 2012 20.16 GMT



Sergey Nalobin, left, at the launch of Conservative Friends of Russia at the Russian embassy in August 2012. Nalobin's father was a high-ranking officer in the FSB, Vladimir Putin's spy service.

The Kremlin instructed its diplomats in London to deepen their "cooperation" with the Conservative party in an apparent attempt to mute criticism of Russia's human rights record and to rebuild ties following the murder of Alexander Litvinenko.

Emails seen by the Guardian show the Russian embassy has played a key behind-the-scenes role in the gaffe-prone Conservative Friends of Russia. The group, which held its launch party in the garden of the Russian ambassador in August, is on the brink of collapse after the resignation last week of Sir Malcolm Rifkind, its honorary president. Two other Tory MPs, Nigel Evans and Robert Buckland, also quit after the group published a photo of a Labour MP, Chris Bryant, in his underpants. On Thursday, Prince Michael of Kent pulled out of its new year dinner. Hours later its website went offline.

The Guardian has also learned that the group's diplomatic contact inside the Russian embassy, Sergey Nalobin, has family ties to Russia's intelligence agencies. His father, Nikolai Nalobin, is a former KGB general. Nalobin Sr worked in a top role with the FSB, the successor to

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Tory blushes deepen over activities of Conservative Friends of Russia Group finds itself unravelling amid concerns over its 'political direction' and claims it is uncritically cheerleading for the Kremlin

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the KGB, which the government believes was involved in the murder of Alexander Litvinenko. Litvinenko's widow Marina said General Nalobin was her husband's boss in the 1990s when Litvinenko was an FSB agent.

Sergey Nalobin's brother also worked for the FSB, according to the Russian press. Vladimir Putin, a former KGB spy, was head of the FSB before becoming Russian president in 2000.

Sources suggest it was Sergey Nalobin who invited Richard Royal, the chairman of Conservative Friends of Russia, and other members, to visit Moscow and St Petersburg in September on a 10-day trip paid for by the Russian government. The diplomat also set up meetings there with politicians from Putin's United Russia and other Kremlin-approved parties. Nalobin also arranged the launch event in the ambassador's Kensington garden and is pictured under the organisation's banner.

Russian diplomats were "instructed by Moscow" to explore how the Conservatives and United Russia could co-operate in the Council of Europe. The two parties belong to the same faction in the council's parliamentary assembly, with Tory members frequently voting with their Russian colleagues against motions condemning Moscow.

Sergei Cristo, a Russian-born Tory activist and fundraiser, said Nalobin approached him in December 2010, seeking introductions to top Conservative party figures. According to Cristo, Nalobin also offered to make donations to Conservative party funds via UK-registered, Russianowned companies. No companies were named, however, and the offer never materialised.

In an April 2011 email, Nalobin wrote to Cristo: "We've received instructions from Moscow - to discuss the perspective of co-operation between British Conservatives and United Russia in the parliamentary assembly of the Council of Europe. With whom would it be best to discuss this question?"

Nalobin also inquired if there were young Tories who might be interested in travelling to Moscow to attend a Kremlin-sponsored youth forum. He was subsequently in contact with Royal, the group's chairman, and with other activists who went on to form Conservative Friends of Russia. Royal and Nalobin met days before the group's Moscow trip. Asked if he was aware of Nalobin's ties to Russian intelligence, Royal declined to comment.

Russia has multiple reasons for seeking to influence the Conservatives. The increasingly Eurosceptic Tory party has shunned its traditional centre-right allies in Europe in favour of a pact with Putin's party. The two are pillars of the European Democrat Group (EDG), which can only function if they cooperate. Russia has forged ad hoc alliances with the Tories and others to see off motions it regards as hostile – over its 2008 war with Georgia, for example. Moscow's priority is to prevent the UK and other EU countries from introducing the Magnitsky Act, named after the Russian lawyer Sergei Magnitsky, who was beaten to death in prison in Russia in 2009.

The act was approved last week by the US House of Representatives. It envisages banning 60 senior Russian officials implicated in the alleged theft of \$230m (£143m) in taxes paid by Hermitage Capital, an investment fund.

The government opposes a similar act in the UK, despite widespread cross-party support. If implented it would prevent Russian officials accused of serious abuses from visiting London, a favourite destination for Kremlin bureaucrats and affluent Russians.

Surrey police are still investigating the mysterious death of Alexander Perepilichnyy, a Russian businessman, who collapsed and died on 10

Luke Harding

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November outside his mansion in Weybridge, Surrey. He had supplied bank documents to Swiss investigators probing money allegedly stolen in the Hermitage scam.

The Nalobin email

From: Sergey Nalobin

To: Sergei Cristo

Subject: PR

Date: 25 April 2011

Dear Sergei, Thanks for the link. Will think about this. Two points:

1. We've received instructions from Moscow - to discuss the perspective of co-operation between British Conservatives and United Russia in the parliamentary assembly of the Council of Europe. With whom would it be best to discuss this question?

2. http://youthforum.ru/ Have a look, please, perhaps this is of interest to young Tory leaders?

Best wishes,

Sergei Nalobin

• This article was amended on 5 December 2012. The original referred to the "Magnitsky scam". This has been corrected.

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25.06.2013



24 июня в Лондоне (Великобритания) состоялся ежегодный вечер правящей консервативной партии тори. Консервативная партия Великобритании (неофициальное историческое название – «тори») – одна из двух ведущих британских политических партий, ведет свою историю с конца XVII и является старейшей из существующих и пользующихся традиционным авторитетом умеренно-правых политических организаций в мире.

Лидер партии – Дэвид Кэмерон, который 11 мая 2010 года на встрече с королевой Елизаветой II в Букингемском дворце был назначен премьер-министром Великобритании. Интересен тот факт, что Дэвид Кэмерон по отцовской линии является потомком британского короля Вильгельма IV. Отец Кэмерона – потомственный финансист, мать – из знатной семьи, представители нескольких поколений которой, кстати, заседали в парламенте от Консервативной партии тори.

Россию на торжественном вечере правящей партии тори представляли Президент ФИАС, Депутат Государственной Думы России Василий Шестаков и первый Вице-Президент ФИАС Андрей Клямко.

Василий Шестаков и Андрей Клямко были представлены Дэвиду Кэмерону. Также Шестакову удалось пообщаться с членом Парламента, председателем комитета по культуре, спорту и средствам информации Джоном Уиттингдэйлом. Поговорить у этих людей было о чем, ведь Шестаков в Государственной думе является членом комитета по физической культуре, спорту и делам молодежи. Слово Василию Шестакову: «Мы обсудили важнейшую тему как для России, так и для Великобритании – законотворчество в области спорта, обменялись мнениями и опытом. Я также пригласил Джона Уиттингдэйла принять участие в Международных парламентских играх – спортивном мероприятии, которое проводится в России с 2009 года. Цель этих уникальных спортивных состязаний – развитие партнерских и дружеских отношений между парламентариями. В прошлом году в Играх приняли участие депутаты из 12 стран, и я не удивлюсь, если в самом ближайшем будущем партнерами России в этом интересном проекте будут и парламентарии Великобритании».

Также Василий Шестаков и Андрей Клямко побеседовали с сопредседателем партии тори лордом Фельдманом Элстерским и министром по делам энергетики и изменения климата Великобритании Эдвардом Дейви, который только что вернулся с прошедшего в Санкт-Петербурге экономического форума.

Таким был вчерашний день для лидеров современного САМБО Василия Шестакова и Андрея Клямко – днем, где политика и спорт объединились для лучшего будущего.

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ПОКАЗАТЕЛЬНЫЕ ВЫСТУПЛЕНИЯ ПО САМБО НА ДЕМОНСТРАЦИИ НАЦИОНАЛЬНЫХ ВИДОВ БОЕВЫХ ИСКУССТВ В ТОКИО

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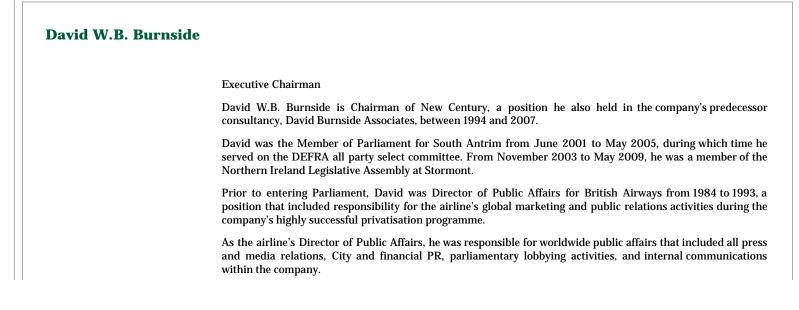


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David also served from 1990 to 1993 as a non-executive director of the Northern Ireland Tourist Board. He was a non-executive director of The European, the first pan-European daily newspaper and assisted in its launch.

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A native Ulsterman, David is a graduate of Queen's University, Belfast.

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