

House of Commons Hansard Debates for 17 Dec 2012 (pt 0001)

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House of Commons

Monday 17 December 2012

The House met at half-past Two o'clock

Prayers

[Mr Speaker in the Chair]

Business before Questions

Electoral Commission

The Vice-Chamberlain of the Household reported to the House, That the Address of 31st October, praying that Her Majesty will re-appoint Jennifer Watson to the Office of Chairman of the Electoral Commission, with effect from 1st January 2013 for the period ending on 31st December 2016, was presented to Her Majesty, who was graciously pleased to comply with the request.

Independent Parliamentary Standards Authority

The Vice-Chamberlain of the Household reported to the House, That the Address of 4th December, praying that Her Majesty will appoint the Honourable Sir Alexander Neil Logie Butterfield, Elizabeth Jane Padmore, Miss Anne Whitaker and Professor Anthony Wayland Wright to the office of ordinary member of the Independent Parliamentary Standards Authority with effect from 1st January 2013, was presented to Her Majesty, who was graciously pleased to comply with the request.

Oral Answers to Questions

Communities and Local Government

The Secretary of State was asked—

Town Centres (Regeneration)

1. **David Rutley (Macclesfield) (Con):** What steps he is taking to regenerate high streets and town centres. [133594]

The Minister for Housing (Mr Mark Prisk): The Government are determined to help our high streets both adapt and compete. That is why we have established over 300 town team partners, provided £10 million to get empty shops back into use and have now extended the business rate relief for small shops, helping half a million enterprises.

David Rutley: The Make it Macclesfield forum is taking forward important regeneration initiatives and, nearby in Poynton, our active town council has introduced a shared spaces scheme. We are fortunate to have such strong local leadership, as well as the invaluable contribution from many small businesses. Will my hon. Friend tell us what steps he is taking to help more small businesses start up on our high streets?

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Mr Prisk: We want to make it easier for entrepreneurs to start up, and that is why today we have opened a new shop in the Department in Victoria street for six businesses to trade, rotating every fortnight. Working with PopUp Britain, we want this shop to be an exemplar for others right across the country. I would say to local government leaders and to landlords, “Let’s take this exemplar and roll it out across the country”. I am happy to invite my hon. Friend to see it for himself—and, indeed, the Opposition Front-Bench team, as I hope they will be able to apply this principle and follow our lead across the country.

Alison McGovern (Wirral South) (Lab): Wirral council has done a huge amount of work to regenerate Bromborough village and New Ferry town centre in my constituency. It wants to continue doing this into the future, but its ability to do so is severely constrained by cuts. It is the season of good will, so may I ask the Minister to set a new year’s resolution and treat Wirral council better next year than he has this year?

Mr Prisk: It is a little early for new year’s resolutions, but I am always happy to take a collaborative approach to this issue. It is about funding, but it is also about ensuring that there is innovation on the ground, and, as my hon. Friend the Member for Macclesfield (David Rutley) said, it is about strong local leadership, too. I hope that that is what we will see in the Wirral.

Duncan Hames (Chippenham) (LD): I hope there is plenty of passing trade for the pop-up shop at the Minister’s Department. I am pleased to report that there has been plenty of passing trade for the pop-up shop in Chippenham’s Emery Gate centre—it is a worthwhile initiative and I am glad that the Minister supports it. Does he agree that key is the importance of support from the landlords in these shopping centres to ensure that they play their part in helping to have a vibrant town centre from which they ultimately will benefit?

Mr Prisk: My hon. Friend is absolutely right. That is why I have written today to the British Property Federation to make sure that they understand we mean business on this, and we want make sure that it is able to follow our lead. I look forward to a positive response.

Simon Danczuk (Rochdale) (Lab): Will the Minister tell us what, if any, business rates the pop-up shop tenants are paying on that property and why it is that the postponed revaluation, which has helped to keep business rates artificially low in places such as Victoria street in London has been used to subsidise artificially high business rates in places such as Rochdale?

Mr Prisk: The hon. Gentleman has missed the point. With the small business rate relief, the smallest businesses have been removed from paying it, as the Chancellor announced only last week. On the revaluation, what is clear from the Valuation Office is that while it is true that possibly 300,000 businesses might benefit, it is also true that potentially 800,000 people would lose out. That is the problem.

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Rural Economy

2. Neil Carmichael (Stroud) (Con): What steps he is taking to promote economic growth in rural areas through local authorities. [133595]

The Secretary of State for Communities and Local Government (Mr Eric Pickles): Following the rural economy growth review, the Government have committed £165 million to growth in rural communities, including £60 million in small grants to farms, forestry and micro-enterprises and £15 million to promote rural tourism. The Government have also dedicated £530 million for superfast broadband in rural areas.

Neil Carmichael: Does my right hon. Friend agree that the retained business rate provides a great opportunity for district councils to help businesses, building on the success of Gloucestershire county council in investing money in broadband and promoting careers advice throughout the county, and does he also agree that more would be helpful?

Mr Pickles: I congratulate my hon. Friend. Following the agreement on broadband that was reached with the European Commission, Herefordshire and Gloucestershire have been allocated £18.1 million. My hon. Friend has made a good point: this gives councils an opportunity to receive money as a right rather than approaching the Government with a begging bowl.

David Simpson (Upper Bann) (DUP): What is the Government's policy on allowing existing businesses in the rural community to expand their premises?

Mr Pickles: Our policy can be seen in the national planning policy framework, and also in local plans. A number of local authorities have pioneered the use of redundant farm buildings. Decisions are made on an entirely local basis.

Neighbourhood Planning

3. Jessica Lee (Erewash) (Con): What steps he is taking to support neighbourhood planning. [133596]

The Parliamentary Under-Secretary of State for Communities and Local

Government (Nick Boles): This year we awarded £3.1 million to four organisations to help communities to make progress with their plans. We fund the new burdens that local authorities may face, and my Department works closely with many neighbourhood planning areas. As a result, communities are making progress, and the first neighbourhood development plan passed an independent examination last week.

Jessica Lee: In Erewash, interest has been expressed in the establishment of a neighbourhood plan forum. What further guidance can my hon. Friend offer to ensure that local communities have the information that they require in order to start their projects?

Nick Boles: We want to encourage as many communities as possible, both urban and rural, to embrace neighbourhood planning. Only this morning I met a dozen neighbourhood planning groups in London, and I shall be visiting more groups throughout the country

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in the new year. Local authorities are responsible for providing information and support, and my officials are available at any time to answer questions and offer guidance to anyone who is interested in going down this road.

Andrew Gwynne (Denton and Reddish) (Lab): May I return the Minister to the issue of support for town centres? Does he accept that by including business and commercial projects in the major infrastructure regime, we risk repeating some of the planning mistakes of the 1980s, and allowing a free-for-all for developments on the edges of and outside town centres at the expense of the viability of our town centres?

Nick Boles: I do not accept that at all. As the hon. Gentleman will know, we have specifically said that we will exclude retail developments from the category of business and commercial schemes that might be subject to the major infrastructure regime. Town Centre First means something to this Government, unlike the last one.

Mr Nick Gibb (Bognor Regis and Littlehampton) (Con): My constituents Andy Faulkner and Deborah Robinson are members of a committee in the village of Yapton, in my constituency, which is putting together a Yapton neighbourhood plan. They are worried about whether the huge effort and time spent by volunteers, and the expense involved in putting the plan together, will prove worth while. When a decision is to be made on a planning application, what weight will be given to the Yapton neighbourhood plan when it is in final draft form but the local plan has not yet been finalised and confirmed?

Nick Boles: I thank my hon. Friend for asking that question, because it is useful to be able to clarify the position for not just Yapton but other communities. It is important for people to understand that the weight given to an emerging neighbourhood plan is in no way contingent on the status of the local plan, and that there is nothing to prevent them from making progress as rapidly as possible.

Roberta Blackman-Woods (City of Durham) (Lab): As a result of huge cuts in local authority budgets, councils' spending on planning has fallen by 16% and the reduction is likely to reach 25% in the next few years. How will the Minister ensure that funds are available for neighbourhood planning in all areas—including those that are disadvantaged—from 2013 onwards, so that the Government's commitment to localism is not watered down further ?

Nick Boles: I am sure the hon. Lady will welcome the fact that the Department is offering local authorities £30,000 for every plan produced in their area. Some £5,000 of that becomes available when a neighbourhood forum is designated, and £25,000 becomes available once a plan has been examined, to pay for the cost of examination and the referendum. There is currently a limit on the number of plans that can receive this funding in any given area, but I hope to be able to adjust that limit to ensure we do not constrain further support for neighbourhood plans.

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Council Tax

4. Andrew Selous (South West Bedfordshire) (Con): What assessment he has made of the rate of change of council tax over the last 15 years. [133597]

The Secretary of State for Communities and Local Government (Mr Eric Pickles):

Under the Labour Government, council tax more than doubled. Under this coalition Government, we have frozen council tax, delivering a cut of 4.4% in real terms for hard-working families and pensioners.

Andrew Selous: In the last two Parliaments I received many letters from pensioners complaining that their council tax was taking up to a third of their income. Under my right hon. Friend's policy, I have not received so many letters of that nature. Pensioners and others appreciate the falls in council tax. I thank my right hon. Friend for the fact that, under his policy and the careful stewardship of Central Bedfordshire council and Studham parish council, my own council tax fell this year.

Mr Pickles: I am grateful to my hon. Friend. I suspect his experience is shared by other Members, but I have to tell him that the situation is worse than he thought because, even in opposition, Labour is planning to clobber pensioners. My Department has been almost swamped by demands from Labour councils to have the right to be able to tax pensioners on council tax benefit, as they attempted to tax the poor.

Mr Clive Betts (Sheffield South East) (Lab): It is possible that in the next financial year more councils, including Conservative-controlled ones, will decide to increase their council tax. Councils are worried that although help has been made available for a council tax freeze, the Government may decide not only not to continue with it beyond 2013, but to withdraw the help made available for previous years, thus creating a black hole in

council finances. Will the Secretary of State give a categorical assurance that the money made available in 2013 for the council tax freeze will be made available to councils on a permanent basis?

Mr Pickles: It is in the base. It goes into the base next year, and I can give a guarantee to the extent that I can guarantee anything with regard to financial support for councils, but if the hon. Gentleman is expecting me to project levels of council tax support beyond the millennium—perhaps well into the next millennium—I have to tell him that I cannot do so. It is wholly erroneous to suggest this is just for one year, however.

19. [133616] **Mark Pawsey (Rugby) (Con):** On neighbour- hood plans, residents of Coton park, a recently completed urban development in Rugby, are enthusiastically setting about preparing their neighbourhood plan as a front-runner under the new national planning policy framework. However, they have had some concerns about the funding of their work, in particular the costs of holding the referendum. Will the Secretary of State provide some reassurance to my constituents?

Mr Pickles: With regard to the neighbourhood plan, £25,000 is paid out on completion of the process, which will help towards the costs of the referendum.

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Bed-and-Breakfast Accommodation

5. **Mrs Sharon Hodgson (Washington and Sunderland West) (Lab):** What assessment he has made of progress by his Department in reducing the number of families with children being housed in bed-and-breakfast accommodation. [133598]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Don Foster): It is unacceptable and illegal to place families with children in bed-and-breakfast accommodation except in an emergency and then for no more than six weeks. Numbers peaked in 2002, with nearly 7,000 families affected, and I am sure the hon. Lady will be delighted to know that the figure is now less than a third of that.

Mrs Hodgson: Next week, while the Minister is no doubt opening his Christmas presents—which I am sure he will get—there will be thousands of children in pokey bed and breakfasts with their parents, because they have nowhere else to go. He cited some statistics, and I would like to cite some more. The number of families in this situation has risen from 630 in March 2010 to 2,020 in September this year, a jump of more than 200%. Is the Minister proud of that record, and will he ensure that that number is lower by next Christmas?

Mr Foster: The hon. Lady is absolutely right to express concern about those children and those families. That is why this Government are taking action, with £400 million being provided to help councils deal with homelessness and an additional £350 million to help

with the changes in welfare. Those measures will help tackle the appalling situation, but it is better under our Government than it was under hers.

Sir Tony Baldry (Banbury) (Con): Is not part of the difficulty the fact that families who get into debt and cannot pay their rent are deemed to be intentionally homeless? They therefore receive limited help from local authorities and can find it difficult to get other landlords in the private rented sector to offer them accommodation if they have failed to pay their rent to a previous landlord.

Mr Foster: My hon. Friend is right to say that debt is very important. That is why some of the £400 million to which I referred is being made available to improve the level of debt assistance that is given to people. My hon. Friend is also right in that we need to ensure that much more privately rented accommodation is available. That is why we were recently able to announce an additional £200 million and £10 billion of loan guarantees to help improve the situation.

20. [133617] **Sheila Gilmore (Edinburgh East) (Lab):** There are 2,000 households with children in bed and breakfasts, 880 for more than six weeks. There is room at the inn, but no cooking facilities for Christmas, and the price is an increase in housing benefit. What do the Minister's colleagues in the Department for Work and Pensions say about that?

Mr Foster: The hon. Lady fails to acknowledge the significant reduction in the number of children in those circumstances under this Government. I nevertheless

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accept it is important that we do everything we possibly can to assist these families. That is why we are taking action with the relevant council and why we are making £390 million available to assist with the changes in welfare benefit, which her Government never did.

Wind Turbines

6. **Stephen Phillips (Sleaford and North Hykeham) (Con):** What consideration his Department has given to introducing a minimum separation distance between wind turbines and residential properties. [133600]

The Parliamentary Under-Secretary of State for Communities and Local Government (Nick Boles): We have been clear that wind turbines should not have unacceptable impacts on local communities, but we have not set minimum separation distances nationally, because to do so would cut across localism.

Stephen Phillips: I am grateful to the Minister for that answer. He will know of the concerns of many in my constituency and across Lincolnshire about inappropriate onshore wind development. It is fair to say that the localism agenda the Government have pursued has done much to involve local people in the planning process, but there is considerable support in Lincolnshire and across the country for minimum separation

distances, which do a lot to encourage public support for onshore wind and allay people's concerns. I hope that his Department will seriously consider the issue, so that he can come back to the House and tell us what he is going to do.

Nick Boles: My hon. and learned Friend and I represent neighbouring constituencies and like him I believe that a minimum separation distance might be appropriate in our flat fenland landscape. That is why, before my appointment as Planning Minister, I supported Lincolnshire county council's wind energy position statement and urged my planning authority to reflect it in its local plan. However, not all of England is like Lincolnshire—sadly for the rest of England—and a top-down national policy that ignored local variations in topography and local opinion would be wrong.

Alison Seabeck (Plymouth, Moor View) (Lab): It is interesting to hear of the Minister's interest in the noise and disruption allegedly caused by wind turbines. Would he therefore apply the same rule to the fans in energy from waste plants such as the one in Plymouth, which is 200 metres from people's homes? Will he explain why the Department chose to call in two other applications for waste to energy plants but not the one in Plymouth?

Nick Boles: The rule I would apply is that wherever possible it should be left to local authorities to make those decisions. However, there are a few cases where applications have significance beyond local authority boundaries and it is therefore impossible for one local authority to decide. In the case the hon. Lady mentions, I would imagine that that criterion was not fulfilled.

Homelessness

7. Dame Joan Ruddock (Lewisham, Deptford) (Lab): What recent assessment he has made of progress by his Department in reducing homelessness. [133601]

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The Minister for Housing (Mr Mark Prisk): The latest statistics show that homelessness is just half what it was in 2003 at its peak. However, despite the tough financial climate, we are investing £470 million to ensure that England continues to provide vulnerable people and vulnerable families with a strong safety net protected in law.

Dame Joan Ruddock: I really wonder whether the Minister has ever seen the fear in the eyes of a woman who can no longer pay her rent, does not know where the family will go, and does not know if her children can stay in the same school and if she will lose her job. Statutory homelessness has risen dramatically over the period of this Government. The Secretary of State warned the Prime Minister that it would go up by tens of thousands as a consequence of Government policies. What has the Minister got to say to that?

Mr Prisk: The right hon. Lady is right to make it a personal issue, because it is a personal issue, which is why last week I spent time with rough sleepers, who were out on the streets at night, to see for myself exactly the point she raises. I say to her that we are dealing with homelessness at its root, which means we are making sure we have a

proper safety net that we have strengthened by making it easier to take people into settled and not temporary accommodation. It is why we are making sure that more people are going into work, so that they do not find themselves in difficulty, and we are making sure that we expand the private rental sector and build more homes. Sadly, I have to say that we saw the number of social homes in this country fall by nearly half a million under the last Labour Government.

Mr Philip Hollobone (Kettering) (Con): As a member of Kettering borough council, may I share with the Minister the good news that in 2011 in the borough of Kettering, in a population of 90,000, there were only 76 valid homelessness applications? That is half the number of the peak in 2007 and is largely due to the very good efforts of John Conway and the housing team at Kettering borough council in providing support to tenants to prevent homelessness in the first place.

Mr Prisk: I strongly endorse Mr Conway's work. The key word is prevention: that is the challenge and it is why, working with the charities, we are acting to prevent homelessness by dealing with its root causes and some of the issues behind it.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): I draw attention to my interest as declared in the register.

In essence, the Minister's reply repeated the response given by the Under-Secretary of State for Communities and Local Government, the right hon. Member for Bath (Mr Foster) to an earlier question about bed and breakfast by quoting a figure from the period of the last Labour Government and comparing it with a lower figure from the present. Frankly, that is statistically unworthy of a Minister. Will the Minister and his colleagues now recognise that there was a dramatic reduction in homelessness and in the placing of families in bed and breakfast under the Labour Government and that, in both cases, that trend is now reversing? Will he accept responsibility for the problem?

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Mr Prisk: I have some respect for the right hon. Gentleman, but the reality is that we saw half a million social homes lost under the last Labour Government and the lowest rate of house building in peacetime since the 1920s. The responsibility rests with those on the Opposition Benches.

Gavin Barwell (Croydon Central) (Con): My local authority has significant numbers of households in bed-and-breakfast accommodation, some for more than six weeks. Is not the key to solving the problem to get our mortgage market working, both so that more people can get buy-to-let mortgages to increase supply in the private sector and so that more people can buy their own home and councils do not face competition in securing private lets?

Mr Prisk: My hon. Friend makes an eloquent point; it is about both supply and demand. If we get housing supply and demand right, that will start to deal with the huge problem we inherited. My hon. Friend is absolutely right on mortgages too. I am pleased to say that

the Council of Mortgage Lenders pointed out that repossessions are at their lowest for five years.

Jack Dromey (Birmingham, Erdington) (Lab): With housing starts down and private rents up to record levels, England is now gripped by the biggest housing crisis in a generation. Homelessness, which fell under Labour, is once again soaring: homeless families in bed and breakfast, homeless young people in hostels and too many homeless sleeping on our streets. Does the Minister not accept that the most potent symbol of failure is the fact that 75,000 children will wake up on Christmas morning in temporary accommodation or bed and breakfast, without a roof over their head that they can call their own?

Mr Prisk: The hon. Gentleman refers to the Shelter campaign about 75,000 people not having a roof over their head at Christmas time. He is right to do so, because the campaign also says that the answer is more affordable homes. We are committed to doing that, and we are committed to making sure that we expand the private rental sector. This is a problem that has been around for two or three Governments and we want to make sure we deal with both the surface problem and the issues behind it.

Local Authority Funding

9. **Yvonne Fovargue (Makerfield) (Lab):** What factors he has considered in allocating grants to local authorities for 2013-14. [133604]

The Parliamentary Under-Secretary of State for Communities and Local Government (Brandon Lewis): We have consulted widely with the local government sector and have given close consideration to the wide variety of responses that we received. We will publish the settlement for 2013-14 shortly.

Yvonne Fovargue: Wigan metropolitan borough has faced cuts of £108 per person, with more to come, despite high levels of deprivation and a high number of people with life-limiting illnesses. West Oxfordshire, on

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the other hand, has had cuts of £34 per person, despite much lower levels of deprivation and health issues. Does the Minister think that this is fair?

Brandon Lewis: Putting aside the baseline from which councils start, we have to bear it in mind that metropolitan areas such as Manchester have had a city deal worth about £1.5 billion, the new homes bonus, enterprise zones and £25 million in Growing Places funds. Local authorities should look at everything they are doing. There is £60 billion of procurement across local authorities. They can look at integrated shared management services. They should be cracking down on fraud and error, which last year alone cost £200 million.

Andrew Bridgen (North West Leicestershire) (Con): Will my hon. Friend tell the House in outline how the business rate retention scheme will offer strong financial incentives for councils to go for economic growth?

Brandon Lewis: My hon. Friend is correct. The new scheme that changes local government finance from next year will give them two key advantages. First, they will have the ability to achieve growth in their income if they see economic growth. Secondly, and more importantly for their communities, they will have the opportunity and the incentive to be part of driving local economic growth and to see new businesses come in and more residents in employment.

Lyn Brown (West Ham) (Lab): The Minister will, I hope, know that population is a key factor affecting the total resources allocated. Can he confirm that he will use the population projections based on the 2011 census, not earlier estimates or projections?

Brandon Lewis: Yes, we are using the census figures.

Mr Graham Stuart (Beverley and Holderness) (Con): Does the Minister accept that too many central initiatives do not reach rural areas, and that if we are to ensure that people in rural areas have access to services, we need to ensure that that is put right?

Brandon Lewis: My hon. Friend is right to highlight the fact that rural areas—I represent a rural area in Norfolk, as he knows—have different issues from metropolitan and urban areas. It is important that those local authorities have the flexibility and the powers, which they now have under the general power of competence, to make decisions about what is right for their local community, bearing in mind its make-up and style.

Helen Jones (Warrington North) (Lab): In the debates on the Local Government Finance Bill, the Government voted down all attempts to have levels of need considered when funding is allocated to local authorities, yet the result of their current policy is that the 10 most deprived authorities in this country face cuts in spending power eight times greater than the 10 least deprived authorities. When the Secretary of State announces next year's settlement, will he attempt to rectify this injustice or will he, like the Chancellor, make the poorest and the most vulnerable pay the price for the Government's disastrous economic policy?

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Brandon Lewis: I am somewhat surprised at the hon. Lady's question, bearing in mind that this Government inherited a problem with a number of authorities that had been left on the cliff edge by the previous Government. It is this Government who brought in the transition grant for those authorities. There are still 12 of them left; after the finance settlement we will see what the new position is. It is a disgrace that the Opposition can sit there and comment about the authorities that they left hanging out to dry facing that financial cliff, which this Government have helped to fix.

Fly-tipping and Graffiti

10. **Sir Bob Russell (Colchester) (LD):** What advice he has given to local authorities in respect of the Protection of Freedoms Act 2012 on the use of surveillance cameras to identify those committing fly-tipping and graffiti offences. [133605]

The Secretary of State for Communities and Local Government (Mr Eric Pickles):

The Protection of Freedoms Act introduced new measures to stop the abuse of surveillance by town halls, delivering on promises made, as I am sure my hon. Friend will remember, by both Conservatives and Liberal Democrats before the general election. Surveillance is now restricted to serious crimes and requires a magistrate's warrant. Guidance has been produced by the Home Office.

Sir Bob Russell: Could the Secretary of State advise us on how local authorities can best tackle fly-tipping and graffiti offences which, in the eyes of many people, are serious antisocial offences that cause nuisance to neighbourhoods?

Mr Pickles: My hon. Friend raises an important point. If graffiti and fly-tipping are so serious, his council can go to a magistrates court and obtain a warrant so that surveillance can take place; otherwise they would have to pursue the normal process of dealing with fly-tipping and graffiti.

Community Pubs

11. **Paul Maynard (Blackpool North and Cleveleys) (Con):** What steps his Department is taking to support community pubs. [133606]

The Parliamentary Under-Secretary of State for Communities and Local

Government (Brandon Lewis): Within the past fortnight I have been pleased to announce £150,000 of extra funding for Pub is The Hub, which helps preserve and expand traditional rural services for pubs and helps them innovate and remain sustainable. Other support measures include the new community right to bid, the national planning policy framework and the doubling of business rate relief until 2014.

Paul Maynard: I draw the Minister's attention to Amber Taverns, based in my constituency, which has turned around literally dozens of inner-city urban pubs facing hard times by focusing on a competitive beer price, free sport and a good environment that attracts local people. Does not that show that the pub can and does have a future?

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Brandon Lewis: Absolutely. I congratulate Amber Taverns on the work it is doing to support the development and enhancement of community pubs in the north of England. Such companies—there are others across the country—are clearly demonstrating that, through innovation and entrepreneurial spirit, pubs absolutely can and should continue to thrive, and indeed are thriving, in the heart of our communities. I look forward to meeting representatives of Amber Taverns and seeing their work at first hand in the near future.

David Wright (Telford) (Lab): Urban community pubs are also of great importance. What cross-departmental work is the Minister doing to ensure that supermarkets do not use alcohol as a loss leader?

Brandon Lewis: The Prime Minister has already announced the consultation on minimum pricing for alcohol, and I am sure that he will report back on that in due course.

Greg Mulholland (Leeds North West) (LD): Talking of supermarkets, the Minister will be aware that supermarkets are deliberately targeting pubs, often sold to them by indebted pub companies, without the community having any say whatsoever. As someone who believes in the pub and in localism, he cannot accept that. Will he meet the all-party save the pub group to tell us how he plans to change that?

Brandon Lewis: I am happy to meet the group.

Chris Williamson (Derby North) (Lab): Surely the Minister must agree that the Government's counter-productive austerity measures are only making matters worse. They have sucked demand out of the economy by cutting too far and too fast, exacerbating the decline of the pub trade. To make matters worse, his predecessor scrapped the community pubs initiative, which was worth £3.5 million. Does he not understand that the public want real action, not warm words and crocodile tears, from Ministers, who have abdicated their responsibility to the local communities they are supposed to serve?

Brandon Lewis: I was waiting for the hon. Gentleman to talk up the great British pub, which is a superb facility for local communities, but clearly he does not share that view. When he stands up to talk about cuts, he might want to think about outlining the £52 billion of cuts Labour projected it would make in the Department, even though it is yet to support a single thing the Department has done to reduce the deficit.

National Planning Policy Framework (Older People)

13. George Hollingbery (Meon Valley) (Con): What guidance the national planning policy framework contains for the consideration of the needs of older people. [133608]

The Parliamentary Under-Secretary of State for Communities and Local

Government (Nick Boles): The national planning policy framework requires councils to use their evidence base to ensure that their local plan meets the full, objectively assessed needs for market and affordable housing in the area, including the housing needs of older people.

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George Hollingbery: The broad conclusion of a conference I chaired recently on the national planning policy framework and older citizens was that, with real strategic vision, older people's lives could be improved and considerable savings could be made in both

the NHS and social services. Will the Minister agree to meet me and a delegation of representatives to discuss that further?

Nick Boles: I would be delighted to meet my hon. Friend and others to discuss that. He is right that imaginative housing schemes for older people can save money for the NHS and social services. They can also make it more attractive for older people to move out of their family homes, thereby helping to meet the pressing housing needs of young families.

Green Belt

14. Mr David Nuttall (Bury North) (Con): What steps he is taking to stop inappropriate development on the green belt. [133609]

The Secretary of State for Communities and Local Government (Mr Eric Pickles):

The Government attach great importance to the green belt, which prevents urban sprawl by keeping land permanently open. Subject to the strategic environmental assessments, we are abolishing the last Government's top-down regional strategies, which threatened the green belt in 30 towns and cities across the country. In addition, our new planning guidance on Traveller sites makes it clear that such sites, whether temporary or permanent, are inappropriate development on the green belt.

Mr Nuttall: Villagers in Affetside in my constituency are worried that their concerns about a proposal to erect a 113-foot-high wind turbine in their village may not be listened to. Can my right hon. Friend give them, and others in a similar position who are facing the imposition of these giant wind turbines within the green belt, any further reassurance?

Mr Pickles: My hon. Friend raises an important point, and of course his constituents will be listened to. It is immensely important, though, to understand the wise words uttered by the Under-Secretary, my hon. Friend the Member for Grantham and Stamford (Nick Boles), a few moments ago. Planning is essentially a plan-based operation, and we look to local planning authorities to determine where a wind farm or a single turbine might go and, in particular, where they might not. If they do that, I think that my hon. Friend's constituents will feel much more relaxed about the issue.

Bill Esterson (Sefton Central) (Lab): Developers in my constituency tell me that they can make far more money building on the green belt than on brownfield sites. Is not the reality that decontamination of brownfield sites in boroughs such as Sefton is needed to protect the green belt and boost the economy?

Mr Pickles: This is a continuation of a question that the hon. Gentleman asked me in the Select Committee. The truth is that we are making money available to ensure that contaminated brownfield sites can be dealt

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with. He is making an enormous mistake in suggesting that all brownfield sites are undevelopable; that is entirely wrong. Some brownfield sites are green and some greenfield sites are brown.

Annette Brooke (Mid Dorset and North Poole) (LD): What overall impact does the Secretary of State estimate that the Growth and Infrastructure Bill will have on the green belt given the national planning policy framework that is now in place?

Mr Pickles: The green belt remains very safe and sound in coalition care. The position is clearly laid out in the national planning policy framework, and the Bill does not affect the green belt one iota.

Land for House Building

15. Tristram Hunt (Stoke-on-Trent Central) (Lab): What estimate he has made of the amount of open land required for house building in the next 20 years; and if he will make a statement. [133610]

The Minister for Housing (Mr Mark Prisk): This Government do not set top-down Whitehall housing targets. It is for elected local councils to determine, through their local plans, where development should and should not go and how best to meet housing need,.

Tristram Hunt: The Labour party in government believed in effective levels of urban density and city centre development. Rather than abusing the National Trust and other big-society opponents of sprawl as Luddites, why do not Ministers end their assault on the English countryside, start working with developers to ensure that the 400,000 homes with planning permission are actually built, and end the homelessness crisis now?

Mr Prisk: I understand that the hon. Gentleman is a historian, and he should know from the previous Government's record that at that time we saw the lowest rate of house building since the 1920s. It is important to get the affordable homes built, sometimes making sure that we use empty homes and sometimes that we build on brownfield—and yes, we will occasionally want to make sure that greenfield land is used where that is appropriate.

Mr James Gray (North Wiltshire) (Con): Wiltshire council, Swindon borough council and the local parish councils of Purton and Lydiard Millicent have, over very many years, strongly and unanimously opposed the application to build 700 houses on green fields at Ridgeway farm in my constituency, yet last week the inspector allowed it under the regional spatial strategy figures. Given that it is not in the green belt—we do not have green-belt land in Wiltshire—what can local people do to prevent unwanted developments of this kind on greenfield sites across my constituency?

Mr Prisk: My hon. Friend will know that I cannot refer directly to individual cases and he will understand the quasi-legal reason for that, but I would say that a robust local plan is absolutely the right way to do this. Sadly, under the previous Government we did not have

that; we just had regional plans instead.

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Social Housing

17. Simon Hughes (Bermondsey and Old Southwark) (LD): What estimate he has made of the number of people living in social housing who have an income of over £100,000 per annum. [133613]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Don Foster): We have estimated, based on data taken from the last three English housing surveys, that between 1,000 and 5,000 social tenant households earn over £100,000 per annum. We have consulted on proposals to charge these households a fairer rent and will respond to this consultation by the end of March.

Simon Hughes: My right hon. Friend will realise that speaking from a position where I am privileged to represent more council tenants than any other English MP, I recognise that council tenancies are very valuable and appreciated. However, given the length of the queue, a lot of people feel that it is wrong for those with an income in six figures to have the privilege of security of tenure and not to pay a higher price for that privilege. May I encourage him to see whether he can find a solution to this long-running problem?

Mr Foster: My right hon. Friend first raised this issue on the Floor of the House in 1988, and I am sure that, 24 years later, he is delighted that the coalition is listening to him. He is absolutely right: we have to make better use of affordable housing. That is why we have consulted on the issue and why we are going to build more affordable housing.

Mr Speaker: I suppose that the right hon. Member for Bermondsey and Old Southwark (Simon Hughes) deserves credit for consistency. I cannot think of many things that I was saying in 1988 that I am still saying today, but there you go.

Mr Andy Slaughter (Hammersmith) (Lab): Nor can I, Mr Speaker—I am trying to think of something, but I cannot.

My local council thinks that £40,000 should be the cut-off figure and that that will solve the housing crisis. However, it has just responded to a freedom of information request from me by stating that, in the past five years, it has let just under 8,000 properties and that only nine of those can be identified as for people on incomes of more than £40,000. Is this not just a smokescreen to cover up the fact that council properties are being sold off when they become empty, knocked down and not replaced, and that measures such as the Growth and Infrastructure Bill are actually reducing the availability of affordable accommodation? This is a piece of nonsense and propaganda.

Mr Foster: If the hon. Gentleman wants to talk about nonsense, he should remember that, under the Labour Government, 421,000 affordable homes went out of use. Under this Government, the right to buy is being strengthened so that there is a one-for-one

replacement. In addition, we are building more affordable homes and more homes for rent.

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Housing (Armed Forces and First-time Buyers)

21. Graham Evans (Weaver Vale) (Con): What steps he is taking to support (a) first-time buyers and (b) former members of the armed forces with housing. [133618]

The Minister for Housing (Mr Mark Prisk): We announced an extra £280 million on 6 September to extend the Firstbuy scheme. This means we will help some 27,000 first-time buyers into home ownership by March 2014. Former members of the armed forces have priority to access this scheme up to 12 months after discharge.

Graham Evans: Will my hon. Friend update us on how local government housing associations are prioritising former armed forces personnel and their families, who have served their country so well?

Mr Prisk: My hon. Friend makes a very good point. As I suspect he knows, we have changed the law so that ex-service personnel who have urgent housing needs are always given additional preference for social housing by local councils. I think that will make an important difference.

Jim Shannon (Strangford) (DUP): In Northern Ireland, the military covenant would need to be in place to ensure that ex-service personnel would have the opportunity to get housing. What discussions has the Minister had with the Ministry of Defence to ensure that that happens?

Mr Prisk: I shall certainly make sure, as the record of the House will show, that my ministerial colleagues in the Ministry of Defence are made aware of that. As the Minister responsible for housing in England, I suspect it would be wiser for me not to cross the Irish sea.

Topical Questions

T1. [133619] Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Communities and Local Government (Mr Eric Pickles): While the irony of your earlier remarks sinks in, Mr Speaker, I will inform the House, ahead of Wednesday's local government settlement, that it is clear that every part of the public sector needs to do its bit to pay off Labour's deficit. My Department is cutting its running costs by 44% and will shortly publish best-practice guidance for councils on how they, too, can make sensible savings. A written statement published today outlines how Sir Ken Knight will undertake a review into savings in the fire and rescue service, protecting front-line fire engines and fire stations, but cutting waste, inefficiency and out-

of-date practices. Finally, the pop-up shop, which opened in my Department today, shows how councils can use their property assets to better effect, both to support small firms and to save taxpayers' money. Truly—Napoleon was right—we are a nation of shopkeepers.

Mrs Hodgson: Could the Secretary of State tell the House why the Government are holding back £300 million- worth of early intervention funding over the next two years? If, as rumoured, it is for payment by results, how

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does he expect cash-strapped councils to be able to afford the vital prevention and early intervention work and programmes when they have to manage a cut of more than 40% in budgets over the lifetime of this Parliament?

Mr Pickles: I will make a statement covering this issue on Wednesday. The hon. Lady makes an important point. It is important to understand that part of the settlement has meant the rolling up of a number of previously ring-fenced grants. This one has been retained. The money that has been held back will be applied to local authorities. I can tell the hon. Lady that her figure is not entirely right; I think she might be pleased by the settlement.

T5. [133624] **Graham Evans (Weaver Vale) (Con):** Research has shown that trade unions receive a subsidy of £113 million at taxpayers' expense. We all believe in trade unions and think that they are a force for good, but does my right hon. Friend agree that local taxpayers will be surprised to hear that their council tax is subsidising trade union activity in local authorities?

Mr Pickles: I am glad that my hon. Friend is a massive fan of trade unions. Indeed, I believe that the trade union movement has done many marvellous things for this country. One thing that has been great is its independence from employers, and I am desperately worried that the taxpayers' money that is subsidising trade unions might impinge on that independence. I will shortly be issuing guidance to local authorities about how we might strengthen trade unions by removing some of their funding.

Hilary Benn (Leeds Central) (Lab): How many people who go out to work of a morning does the Secretary of State estimate will see their council tax rise next April because he has decided that people on low earnings should pay more council tax?

Mr Pickles: The right hon. Gentleman is entirely wrong in his premise. It is his party that says that pensioners should pay. It is his party that is seeking to tax the poor. It is my party and the Liberal Democrats that are offering some support. The right hon. Gentleman had better look after his own party before he comes here and lectures us.

Hilary Benn: The Secretary of State, of course, did not want to answer the question. The answer is that nearly 800,000 people who go out to work every morning face a potential rise in their council tax bill next April, when people who are on the top rate of tax will get a tax cut. If we look at what is happening in his own back yard, Brentwood borough council

has just published a case study on its own scheme, which I have here. Under its proposals, a working mum who works more than 24 hours a week could see her council tax bill rise by more than £600 a year. Why is he so hellbent on penalising people who go out to work?

Mr Pickles: That, of course, was before we intervened and offered our process, which will protect people and ensure that nobody has to pay more than 8.5%. What does the right hon. Gentleman say about his own councils, which are looking to make people pay 30% on council

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tax? He has been singularly neglectful in his duty. He knows that his Government, had they been successful at the last election, would have made £52 million of cuts. So far, he has not accepted a single one of our cuts. The right hon. Gentleman is inconsistent in his consistency.

Michael Fabricant (Lichfield) (Con): In answer to Question 1, my hon. Friend the Minister for Housing referred to PopUp Britain and pop-up shops. Was that just a bright idea within his Department, or did he get professional advice from people who are actually in business?

The Minister for Housing (Mr Mark Prisk): My hon. Friend makes a very good point. I am glad to say that the sponsors for PopUp Britain included Intuit and the John Lewis Partnership.

T2. [133621] **Lisa Nandy (Wigan) (Lab):** When I worked in the homelessness sector under the last Government, statutory homelessness fell by 70%. Last week's "Panorama" programme showed the heartbreaking human cost of this Government's appalling record on homelessness: homelessness is up, rough sleeping is up and more families are stuck in bed-and-breakfast accommodation for longer. What are this Government going to do about it?

Mr Prisk: We are taking a proactive role to ensure that rough sleeping in particular does not happen. That is what "No second night out" is all about. In London, where it has been trialled, 70% of people spend just one night on the streets. We need to tackle those numbers, but it is wrong to simply say that everything is gloomy; there is good action, there are positive ideas from councils and we have to work together.

Tessa Munt (Wells) (LD): If the Secretary of State decides to designate a local planning authority, under proposed new section 62A to the Town and Country Planning Act 1990, planning applications can be made directly to him. What mechanisms will be in place to ensure that the influence of local people through consultation is not reduced if the voice of local authorities is excluded from the process?

The Parliamentary Under-Secretary of State for Communities and Local

Government (Nick Boles): I thank my hon. Friend for her question, because that is an important point. In the very few cases in which planning authorities are designated as poorly performing, it will be possible for major applications to be referred directly to the Planning Inspectorate. After relentless questioning from her Liberal Democrat colleagues in Committee, I came to understand that it is particularly important that the Planning Inspectorate is given clear guidance that it should consider using local hearings, so that people can put their views across, rather more regularly than it does for appeals, when local views have already been taken into account. I have already started discussions with the Planning Inspectorate to ensure that that happens.

T3. [133622] **Joan Walley (Stoke-on-Trent North) (Lab):** The Secretary of State is leaving the financial settlement for local government until the last minute, and there is great unfairness among the most deprived councils in the country. For example, in Stoke-on-Trent

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we are having to pay an extra £130.75 per person because of cuts, whereas in the Secretary of State's own constituency the sum is £29.40. Will he take that into account in the financial settlement before he finalises it, so that there is fairness for local councils?

Mr Pickles: Of course there will be fairness in the system, but we need to understand that one reason why the hon. Lady's authority is facing a larger cut than mine is that it receives a much larger amount. I think Labour expects my authority not only to contribute to the pot but to have its entire grant removed, and then it expects us to increase taxation. I remind her that it was Labour that left a number of vulnerable authorities dangling over a cliff edge and the coalition Government who put money into pulling Labour's irons out of the fire.

Harriett Baldwin (West Worcestershire) (Con): Villagers in Martley in my constituency are keen to develop their own neighbourhood plan, but the district council has told them that their alternative to a greenfield site might mean that both sites end up being developed. Will the Minister please clarify the situation for my constituents?

Nick Boles: It is obviously difficult for me to talk about an individual case, but I would be happy to hear more about it from my hon. Friend. It is important that neighbourhood plans strengthen the powers of local communities to determine where development should and should not happen. If the neighbourhood plan is in general conformity with the local plan, the neighbourhood plan's policies will take priority and will help protect her constituents from unwanted development on speculative sites.

T4. [133623] **Tristram Hunt (Stoke-on-Trent Central) (Lab):** In towns and cities across England, local authorities are being forced to close museums, shut care homes and end library provision, but the Government found £250 million to empty the bins more regularly. What kind of abysmal, philistine, reactionary Government put dustbins above library books?

Mr Pickles: The people who are putting dustbins above those things are people who care about the general service provided to the electorate. The hon. Gentleman is a bit of a luvvie, so no doubt he is looking intensely at the drop in culture, but that is a matter for local decision, and he is wholly wrong. People should look at how an authority can get more money in by exploiting and using its cultural heritage. Frankly, he is just lining up a bunch of luvvies. He should listen a little bit more.

Philip Davies (Shipley) (Con): A proposed housing development in Micklethwaite in my constituency was rightly rejected by Bradford council, the appeal was rightly rejected by the planning inspector and that decision was upheld by the Secretary of State. The courts have sent it back to him for redetermination. May I urge him to stick to his guns and reject that unwanted planning application? If he wants to come back to Micklethwaite to reacquaint himself with the area and see how inappropriate the application is, he will be welcomed by local residents.

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Mr Pickles: I know Micklethwaite well, but we will consider the matter in a quasi-judicial way. We will ensure that the views of the residents of Micklethwaite and the council are given due weight, and I hope to announce my decision in the near future.

T7. [133626] **Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** The Home Secretary recently refused to give me any information about the impact on local services, such as housing and community services, of the ceasing of the restriction on migration from Bulgaria and Romania. Does the Secretary of State have an estimate of how housing and other community services will be affected by that change?

Mr Pickles: As far as I am aware, we have only anecdotal evidence, which is not sufficient for someone of the hon. Gentleman's stature.

Fiona Bruce (Congleton) (Con): My constituents in Sandbach are furious that the Hind Heath road planning application, for 269 houses on prime agricultural greenfield land, has been granted on appeal. The pressures on road surfaces and infrastructure will be unsustainable, and the decision flies in the face of localism, as the area was not classed for development under the Sandbach town plan. Will the Minister explain how development on such a wholly unsustainable site can be justified and what can be done to ensure that further, similar applications by developers are not granted across my constituency?

Nick Boles: My hon. Friend has been a tireless advocate for the residents of Sandbach. She will understand that I cannot comment on particular cases, but I think it is fair to say that her local authority has been a bit backwards in coming forwards with a local plan. However, I am glad to say that, under its energetic new leadership, it has recently published a draft plan for public consultation, which will provide her constituents with a defence against speculative development.

T8. [133627] **Heidi Alexander (Lewisham East) (Lab):** The Secretary of State will know that 17 fire stations in London have been earmarked for closure, including Downham in my constituency. Given those front-line cuts to emergency services, is it right that Boris Johnson's 10 closest advisers have a combined salary packet of more than £1 million?

The Parliamentary Under-Secretary of State for Communities and Local Government (Brandon Lewis): There is an integrated risk management plan for London. It is good that the London fire commissioner has said he is committed to maintaining the current standards for the time it takes for fire engines to get to incidents. Therefore, it will be a local decision based on local need, taking into account clear local risks.

Mark Pritchard (The Wrekin) (Con): At this Christmas time, when many robins feature on Christmas cards, and given that the Secretary of State is Parliament's pre-eminent ornithologist, can he tell the House what his Department is doing to protect Britain's declining common bird population?

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Mr Pickles: I think I am more of an undignified twitcher than an ornithologist. Clearly, there is the wildlife directive and we look to ensure the protection of various species, but we have to understand that in the nature of the way that agriculture and the like are changing, the patterns we have seen traditionally among British birds are likely to change in the decades to come. That will be to the benefit of some species and to the detriment of others.

Ms Karen Buck (Westminster North) (Lab): Ministers have sent out a strong message to London councils that they should not be placing homeless households far

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outside the capital and away from their community network support and children's schools. On Friday, however, I met a gentleman in employment who is being placed in Milton Keynes. Will the Minister tell me if it is acceptable for the gentleman to be placed in homeless accommodation and immediately lose his job, and if anyone is in charge?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Don Foster): We have recently introduced new rules that make it absolutely clear that local authorities have to ensure that the accommodation they provide is reasonable, and that they must take into account issues such as jobs and education.

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European Council

3.33 pm

The Prime Minister (Mr David Cameron): Before I make my statement, I am sure the whole House will join me in wanting to send our deepest sympathies to President Obama and the American people following the desperately tragic shootings in Connecticut on Friday. These are heartbreaking scenes. One can only imagine what the families are going through, and our hearts should go out to those families and the friends of all those involved.

Last week's European Council discussed further economic and monetary integration for the eurozone. It endorsed new safeguards that will protect the interests of countries outside the eurozone. It also reached new conclusions on our response to the crisis in Syria, and there were discussions on growth and defence. This was the seventh European Council of the year. I would not describe it as a landmark Council, and I will try to address these points briefly.

The problems of the eurozone are driving heated discussions between its members and are leading to potentially significant changes inside the European Union. There are calls from some for greater solidarity and burden sharing, and from others insistence on tough rules for fiscal discipline. These arguments raise far-reaching questions of national sovereignty, and it is yet to be determined how far or fast the changes will go, but it seems likely that we will see a process of further integration for members of the eurozone.

Britain will not join the single currency—neither will we join the deeper integration now being contemplated—but these changes, driven by the eurozone, will alter the European Union for all of us, so they need to be done in the right way. That should mean flexibility over how Europe develops to accommodate the interests of all member states—those inside the euro, those that might one day join and those, such as Britain, that are outside, have an absolutely clear opt-out and have no intention of joining. It also means that as eurozone members make the changes they need, we in the UK will have the ability to argue for the changes that we need in our relationship with a changing European Union in order to get the best possible deal for the British people.

The banking union, elements of which were agreed last week, is a good example of that. A single currency needs a single system for supervising banks, so Britain supported the first steps agreed towards a banking union, but in return we and others demanded proper safeguards for countries that stay outside the new arrangements. The European Council therefore agreed a new voting system that means that the eurozone cannot impose rules on the countries outside the euro area, such as Britain, without our agreement. There is also an explicit clause that says that no action by the European Central Bank should directly or indirectly discriminate against those countries outside a banking union. That is vital for our financial services industry, which must continue to be able to provide financial products in any currency.

The Bank of England and the ECB will have a statutory memorandum of understanding that will ensure they work co-operatively and openly to supervise cross-border banks. The safeguards set an important new precedent in giving rights to countries that choose to

stay outside the euro. In winning that argument, we have

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demonstrated how a change necessary for the eurozone can lead to a change for countries outside the eurozone that can help us to safeguard the things that matter to us in Britain, in particular the integrity of the single market. And as the eurozone makes further changes, I will seek every opportunity to get the best deal for Britain and for the single market as a whole.

On growth and competitiveness, this year we have already secured a proper plan, with dates and actions, for completing the single market in services, energy and digital, a commitment to exempt small businesses from new regulation, the establishment of a European patent court, with key offices in London, which will save businesses millions of pounds, and a new free trade agreement with Singapore. In addition, we have launched negotiations on a free trade agreement with Japan that could increase EU gross domestic product by €43 billion a year. The conclusions from the Council have the additional benefit of referring to Commission plans to “scrap” some of its own

“regulations that are no longer of use.”

We are taking action in Europe that will help with growth and jobs and with tackling unemployment here in the UK.

On defence, we are clear that NATO is the cornerstone of our defence and that EU co-operation should avoid costly new bureaucracy and institution-building. We will never support a European army. The focus of the Council conclusions is entirely consistent with this, referring to practical co-operation to tackle conflict and instability in places such as Kosovo and the horn of Africa. In addition, the conclusions welcome proposals to open up closed defence markets in Europe, which could be of benefit to Britain.

Finally, I turn to Syria. As a result of Assad’s brutality, a humanitarian crisis is unfolding in Syria on our watch, with more than 40,000 dead and millions in need of urgent assistance as a hard winter approaches. There is a moral imperative to act—and Britain is doing so, as the second-largest donor in terms of humanitarian aid—but there is also a strategic imperative to act. Syria is attracting and empowering a new cohort of al-Qaeda-linked extremists, and there is a growing risk of instability spreading to Syria’s neighbours and of drawing regional powers into direct conflict.

We therefore cannot go on as we are. The Council was clear, as Britain has been for many months, that Assad’s regime is illegitimate, and committed to working for a future for Syria that is democratic and inclusive, with full support for human rights and minorities. We will continue to encourage political transition from the top and to support the opposition, who are attempting to force a transition from below, and that will include looking at the arms embargo. The conclusions also make it clear that we must now explore all options to help the opposition and to enable greater support for the protection of civilians.

With progress on Syria, our objective on banking union secured and the principle established that changes in the eurozone require safeguards for those outside, I commend this statement to the House.

3.39 pm

Edward Miliband (Doncaster North) (Lab): I join the Prime Minister in sending deepest condolences to President Obama and the people of the United States. The

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Connecticut shooting was an appalling tragedy, and all families affected are in our thoughts as they cope with their grief and their loss.

I wish to ask questions on Syria, the banking union and the wider European context. Let me associate myself with the Prime Minister's concern about the ongoing loss of life in Syria. The international community must work together to end the atrocities immediately and speak with one voice in favour of a transition to a new Government. The Prime Minister mentioned the arms embargo, while noting that Syria is attracting "a new cohort of al-Qaeda-linked extremists." In that context, will he go further and tell the House whether he is actively urging the EU to end its arms embargo, or merely amending its terms? Notwithstanding deep concern in the international community about the situation in Syria, does he recognise some of the dangers inherent in the approach of putting weapons into a zone in which there is already deep conflict?

On the banking union, the Opposition believe it is right for the European Central Bank to have a supervisory role in the eurozone. Does the Prime Minister agree, however, that the most important issue is not necessarily who supervises which banks, but who takes responsibility for bailing out failing banks in the euro area? That is what will deliver the firewall we need between bank and sovereign risk. Will he say whether he made the case for the urgency of agreement on that matter at the Council?

It is good that progress was made to protect the integrity of the single market. Will the Prime Minister say whether there was discussion on how the new voting system that he mentioned will cope in the event of changing circumstances, and in particular if EU members currently outside the eurozone join the banking union and the "out" group shrinks to three or four member states? Beyond questions of banking, is not the real continuing problem for Europe that of insufficient demand and lack of a proper plan for growth? In yet another Council we saw no progress on that, just as we saw no progress beyond banking union on wider eurozone political and economic integration.

All the Council did was set a timetable of June 2013 for setting a timetable. That is less than was promised—in other words, dither and delay. It is a bit like the Prime Minister's long-awaited speech on Europe, which has been delayed again. First it was set for his party conference, then for before the EU budget negotiations. We now hear that he has delayed it again until the new year.

Of course, never knowingly undersold in his normal modest way, the Prime Minister says that it is okay because it is

“a tantric approach to policy making.”

Parliament’s answer to Sting sits before us, Mr Speaker. It is true that they have both fallen out with the police—*[Interruption.]* I am sorry; it is Christmas after all. I am sure I speak for the whole House when I say that none of us wants to be there to witness the tantric approach.

Perhaps the Prime Minister will answer three simple questions. First, the Foreign Secretary, who is sitting on the Front Bench, said on an in/out referendum that

“this proposition is the wrong question at the wrong time...It would create additional economic uncertainty in this country at a difficult economic time.”

I agree with the Foreign Secretary—does the Prime Minister? Secondly, the Prime Minister said last week:

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“I don’t want Britain to leave the European Union.”

I agree with the Prime Minister on that, but why does he let member after member of his Cabinet brief that they are open to leaving the EU, including most recently the Education Secretary? Thirdly, as the Prime Minister will know, British business is deeply concerned that the drift in his party and the direction of his policy means that we are sleepwalking towards exit. I share that concern. Does the Prime Minister at least understand the concern of British business?

The Prime Minister ended last year with the veto that wasn’t, and he has ended this year with the speech that isn’t. In other words, he is stranded between party interest and national interest. The problem, however, is that nobody else in his party is holding back. Just in the past few days we have heard from the Immigration Minister, the former Defence Secretary, and now—always keen to help the Prime Minister out—the man on the zip wire, the Mayor of London. Is it not time to stop the dither and delay? Is it not time that he stopped following his party on Europe and started leading it?

The Prime Minister: Well, the jokes were better. The right hon. Gentleman has obviously spent a bit of time running through his old Police albums. Given his policy on Europe, I would recommend, “So Lonely”, and given his general approach to policy, he is going to have to get used to “I can’t stand losing”. *[Interruption.]* That was the best I could do given the notice. He should give me more warning next time—*[Interruption.]* Don’t stand so close to me—very good. The bed’s too big without you—*[Laughter.]* Let’s take this down.

On Syria, it is right to look at amending the arms embargo. We will be keeping the arms embargo on the regime. There are arguments on both sides, but we should have the debate and European Foreign Ministers will do so. My concern is that if the UK with

others is not helping the opposition, and helping to shape and work with it, it is much more difficult to get the transition we all want to a peaceful, democratic Syria that respects the rights of minorities—including, as I have said, Christians—and human rights.

On banking union, the right hon. Gentleman rightly makes the point that the protections are set out when more than four members are outside the banking union. The new double majority voting is a big breakthrough. The idea that non-eurozone members should have a separate vote on proposals that could be damaging to us is a major breakthrough, and a lot of people said it would not be possible. If the number of countries outside the banking union falls below four, the issue returns to the European Council, where, of course, we decide things by consensus and would be able to put a stop to further progress.

The right hon. Gentleman makes his points on growth, but ignores completely that almost every country around the table has immense fiscal challenges and huge budget deficits. That is why we focus so much on the things that could help growth in Europe, such as the single market, free trade deals with other parts of the world, deregulation and getting costs down, and a good budget deal.

The right hon. Gentleman asked a series of questions on European positions. I do not think it is right to hold an immediate in/out referendum because neither of the two options is right. That is exactly what the Foreign Secretary has said.

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On British business, the Conservative party and the Government are working to deliver all the things business has asked for. I note that, when the Opposition business spokesman was asked to name one single business that supported Labour, the best he could come up with was Waheed Alli, whom Labour ennobled about a decade ago.

On European policy, I will not take lectures from a party that signed up to the bail-out, gave away our veto and gave up the social chapter—on each occasion, it got absolutely nothing in return. That is the truth of the Labour policy, whereas the Conservative party and the Government have delivered. Three months ago, before the three European Councils, we were told, “You’ll have no allies on the European budget, you have no chance of amendments to the banking union, and you’ll be completely isolated on treaty change.” All three warnings given by the Leader of the Opposition and others have turned out not to be true.

Mr William Cash (Stone) (Con): My right hon. Friend says that the EU changes must be done in the right way. At Prime Minister’s questions last Wednesday, he stated in reply to me that

“it is the national parliaments that provide the real democratic legitimacy within the European Union.”—[*Official Report*, 12 December 2012; Vol. 555, c. 291.]

However, how is it that, in the European conclusions he signed on Friday, and despite a unanimous European Scrutiny Committee report calling on him to stand firm, the national Parliaments and the European Parliament are stated as being commensurate in respect of EU competences?

The Prime Minister: I should again make the point I made to my hon. Friend on Wednesday. Change in Europe cannot go ahead unless it has the support of national Parliaments. Clearly, the European Parliament has a role set out in the treaties—whatever one thinks about that, one cannot ignore it. When it comes to changes in the eurozone, Angela Merkel going back to her Parliament matters; when it comes to the European budget, my coming back to this Parliament matters. That was my point. In Europe, the Parliaments that matter are the national ones—this is the Parliament that matters to me.

Mr Alistair Darling (Edinburgh South West) (Lab): I agree with what the Prime Minister said about the banking union. Like so many other things coming out of the eurozone, it looks a bit half-baked at the moment. Did he get any sense of how much money the banking union will have, and where it will get it from? Did he also detect any urgency being applied to sorting out the Spanish banking problem? It looks as though all the problems that have bedevilled us in 2012 are still going to be there in 2013.

The Prime Minister: The right hon. Gentleman makes an extremely good point. This is not a fully fledged banking union; it is simply the first step in terms of a single supervisor. A banking union as we in the United Kingdom would know it would cover the resolution of problems in banks and deposit guarantees. If a bank

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in England, Scotland, Wales or Northern Ireland has problems, it does not make any difference because we have a proper banking union. They are a long way from that in the European Union. The point I was making is that these discussions are going to go on for quite some time, because they involve big issues of national sovereignty, so it will take time before they get a banking union.

Mr John Redwood (Wokingham) (Con): If we are to have growth in Europe, we need to have banking reform both to recapitalise the banks and to write off the bad loans and assets. Is there any timetable for raising the huge sums that the euro area will need to capitalise its banks, and when is the ECB going to make the Spanish and other weak banks in the system write things down to a realistic level so that we can start to trade away from the disaster?

The Prime Minister: My right hon. Friend asks an important question, which reminds me that I did not answer the former Chancellor's question about the Spanish banks. There will be opportunities to deal with that, but in the light of the way in which this is being structured, further progress will need to be made under the banking union proposals before the sorting out of Spanish banks can take place. Many in the eurozone would argue that all those delays are damaging to the future of the eurozone. On bank

recapitalisation, stress tests have been carried out in Europe, although some people argue about their robustness, but that was not the focus of discussion on this occasion. This was not so much about banking capital as about the process of a banking union.

Mr Jack Straw (Blackburn) (Lab): May I ask the Prime Minister to expand a little on his view of the process towards a democratic, inclusive Syria, given that, although probably 70% of Syrians are wholly opposed to the Assad regime, about 30%—Christians, Alawites and others—are still committed to it? What further efforts are being made with the Russians to try to secure international agreement, however difficult that might be, given that Russia's compliance and consent will be crucial to an overall settlement?

The Prime Minister: The right hon. Gentleman is absolutely right about this. As I explained in my statement, there are two ways in which transition can take place in Syria. One would involve revolution from below, if you like, while the other—which could be faster if everything went according to plan—would involve a transition from the top, and for that, we need the Russians to engage. My right hon. Friend the Foreign Secretary has met and spoken to them regularly, and I have discussed the issue with President Putin. There was a report on Thursday, while we were in the European Council, that the Russian Deputy Foreign Minister had made some interesting remarks about Syria, so we will read those with care. Clearly, everything we can do at the UN and with countries such as Russia to put pressure on the Assad regime is worth while.

Simon Hughes (Bermondsey and Old Southwark) (LD): Is not one of the lessons from the seven summits of 2012 and the successes of the year—the banking union that keeps our financial services industry protected, the patent deal that will probably reduce the cost of

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getting European patents by 80%, and the trade deals with Singapore, South Korea, Latin America, Japan and the US that are in the pipeline—that constructive and pragmatic engagement with our neighbours in the European Union is good for the UK, good for Europe, good for growth and good for jobs?

The Prime Minister: I would agree with a lot of what my right hon. Friend says. I would add to “pragmatic engagement” the words “hard-headed”, because in order to make progress on issues such as the patent court and the single market, we need to negotiate very toughly. These are our key interests, and other countries have their own. Across the seven Councils, we have made some progress.

Mr Dennis Skinner (Bolsover) (Lab): Is it conceivable that the reason the Prime Minister cannot make his European statement that his Deputy Prime Minister thinks just the opposite of what he thinks? Is there any chance, now that they have started the practice, not only of the Prime Minister making a statement but of his allowing the Deputy Prime Minister to make one as well? I know it is nearly Christmas, but I am not against turmoil in the Tory party or in the coalition.

The Prime Minister: Let me wish the hon. Gentleman a happy Christmas. He is a good example of how there is not always a commonality of opinion within a party, let alone between two different parties.

Richard Ottaway (Croydon South) (Con): The events of the past few months have confirmed that Britain has a number of allies in Europe and is not alone, but the case for Europe is drifting. Will the Prime Minister take an early opportunity to get on the front foot and set out his agenda before others fill the vacuum?

The Prime Minister: I am very happy to do that. My hon. Friend is right that we have allies in Europe. I note that in this morning's German newspapers, the leader of the Social Democrats—Labour's sister party—has accused me of having a Faustian pact with the German Chancellor, so there we have it. We have a very clear agenda: we have been pushing the single market, pushing for the patent court, pushing for the free trade deals, pushing for deregulation, and on every single one of those measures we have made some big progress this year in Europe.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Office for National Statistics reported last week that the GVA—gross value added—output in the communities I represent in west Wales and the valleys is only 65% of the UK average. A cut in European structural funding would therefore be disastrous for the communities I represent. Will the Prime Minister assure my constituents that the British Government will make up the shortfall in funding for them, based on the British Government's negotiating position on the EU budget?

The Prime Minister: I will certainly look carefully at what the hon. Gentleman said before we return to the European budget issues in February. Frankly, however, if we want a good deal for Britain in terms of the level of payments we make, we have to accept the fact that in an enlarged European Union—and we support

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enlargement—we are going to see a greater percentage of those structural funds go to the relatively poorer countries of eastern and southern Europe. I think we have to understand that when we take part in the negotiations.

Mark Field (Cities of London and Westminster) (Con): On the issue of banking union, I wholly endorse the Prime Minister's view that we were able to secure in Brussels the very best deal in the circumstances. Will he confirm, however, that the double majority arrangements now set some sort of precedent for the two-speed Europe that many believe is in the UK's national interest—on this and related matters?

The Prime Minister: I would make two points in response. I believe it is possible to have different countries involved in different things within the European Union. I do not particularly like the expression “two-speed”, which implies that one is racing ahead and the other is not, yet in many cases I would argue that not being in the single currency is beneficial for Britain, and not being in the no-borders agreement is right for Britain. My

hon. Friend is absolutely right to say that this was a breakthrough negotiation, showing it is possible to have a new set of rules to safeguard those countries that want to stay outside some European institutions.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am sorry, but may I press the Prime Minister on his long-awaited European speech? I really do not think he has got it clear. Is it not happening because he does not yet know what he wants to say, or because he is not allowed to say what he wants to say?

The Prime Minister: I will be making the speech in the middle of January—[Hon. Members: “Ah!”] I am delighted that Opposition Members are so excited and are looking forward to it. The hon. Lady might have noticed that I have had a number of other things to attend to in recent weeks, but I have a feeling—knowing her views and the moves she has been making over the years as I have watched her in the House—that she may quite like it.

Andrea Leadsom (South Northamptonshire) (Con): I congratulate the Prime Minister on the ground-breaking deal for Britain’s financial services that he struck in Europe. Does he agree that it is astonishing that Labour Members seem to think it is simply a case of “in or out, and why don’t you get on with it”, when it is far more important to negotiate a better deal for British taxpayers? My right hon. Friend is absolutely on the right track.

The Prime Minister: I thank my hon. Friend for her question. I should say that the banking union agreement was negotiated not by me but by the Chancellor of the Exchequer. He deserves the credit for the 5 am finish in the negotiations, which safeguarded Britain’s interests. My hon. Friend is right in what she says.

Chris Bryant (Rhondda) (Lab): I warmly congratulate the Prime Minister—[*Interruption*]—it’s all right, don’t worry—on supporting, last week, a step change in the development of a common defence and foreign policy for the European Union, especially as we are in the run-up to the EU Russia summit on Friday. Does it not

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make sense for Europe to approach, in particular, the Russian Federation with a single set of core objectives, so that we can see a successful set of outcomes? When the Germans or the French have negotiated on their own, everyone has ended up with a bad deal. Now that the Americans have introduced a Magnitsky Act, is it not time that we did the same in this country?

The Prime Minister: What I would say to my— [*Laughter.*] I am sorry; there is only so much excitement that one can take in a single day. What I would say to the hon. Gentleman is that I think that one of the worthwhile aspects of our engagement in Europe is the ability to discuss issues—whether they relate to the situation in Syria or to relations with other powers—and try to reach common positions that maximise the influence that

we then have. I think it important for the discussions to be held on the basis of unanimity. We do effectively have a veto in this area, but when we can agree, as we did on Syria and Iran, there can be very powerful consequences.

Mr Edward Leigh (Gainsborough) (Con): When will the British people be given their democratic right, namely a choice in a referendum between being part of a customs union and being part of a European Union?

The Prime Minister: My hon. Friend has made a very good, very clear case. He has always held that view. I shall set out in my speech in the middle of January the path that we should take for the future, but let me say now to Members in all parts of the House that, as I tried to explain in my statement, what is happening at present in the European Union is a process of change, driven by what is happening in the eurozone. As a number of Members have pointed out, it is quite a slow process at the moment, but I believe that at some stage it will speed up radically. When we discover that we really do need greater elements of banking union, fiscal union and other co-ordination, a greater treaty change will be proposed within Europe, and I think that that will give us an opportunity to secure the fresh settlement that we want.

Mike Gapes (Ilford South) (Lab/Co-op): Is there still an EU arms embargo? It has been reported that France is already supplying equipment to some opposition groups, and at the same time this country is providing non-lethal equipment. What exactly is going to happen? What kind of equipment will we be providing? Given that Qatar and Turkey are already arming the more extreme jihadist groups, is this an argument for rebalancing within the Syrian national coalition?

The Prime Minister: The hon. Gentleman has made a number of important points. On the first part of his question, I have seen no evidence that any European Union powers have broken the arms embargo. We certainly would not do that; it would be wrong and illegal. I think it is worth looking at the embargo and asking how we can best work with the parts of the Syrian opposition that want a proper transition to a free and democratic Syria. The hon. Gentleman made that point in his own question.

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Mr Bernard Jenkin (Harwich and North Essex) (Con): May I commend my right hon. Friend on his determination not to wreck his Christmas by trying to write a speech on the European Union at the same time?

My right hon. Friend said that we had

“agreed a new voting system that means that the eurozone cannot impose rules on the countries outside the euro area, such as Britain, without our agreement.”

Will he confirm that, in saying that, he did not mean that the treaty had been rewritten, or that the single market article was now subject to a different voting system, so that anything agreed by the banking union could still be put forward by the Commission as a

single market proposal to be forced through on a single qualified majority vote?

The Prime Minister: I greatly respect my hon. Friend's views on and knowledge of this issue. I was not claiming that we had changed the treaty. The point that I was making was that a number of people in the European Union, including the Commission at one stage, had said that it was impossible to write new rules to deal with circumstances in which some were in the single currency and some were outside it, but we had persevered. We said "If you want to go ahead with banking union, this really is essential", and that is why there is effectively a new system. If more than four countries are outside the banking union, there must be a double majority in favour of a proposal: a majority of those outside, and a majority of those inside.

I am not claiming that we have rewritten the treaties, or that this is a new treaty change; it is not. However, I think that it is a step forward to deal with a deep problem that Europe will have as the single currency integrates further and those outside it want to ensure that they are properly protected.

Kelvin Hopkins (Luton North) (Lab): I am one of those who very strongly take the view that Greece, Spain and Italy can recover economically only if they leave the euro and recreate their own currencies and have their own interest rates. Was there any private discussion about the effect of the imminent departure of Signor Monti and the re-entry into front-line politics of Signor Berlusconi on the future of Italy in the euro?

The Prime Minister: There was not any open discussion about that issue, although I understand that Signor Berlusconi was in Brussels on the day of the European Council. My view is that these are issues for the countries in question. We can all have our views about the economic position of these countries, or indeed the political choices they make, but in the end, if we believe in democracy, we have to allow the Greek, Italian and Spanish voters to elect Governments who reflect their views. That is the way it has to work.

Mr Robert Buckland (South Swindon) (Con): I warmly welcome the commencement of free trade talks between the EU and Japan. That is of vital importance to Honda workers in my constituency, and does it not also demonstrate the continuing importance of our membership of the EU in extending free trade across the world?

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The Prime Minister: My hon. Friend makes an important point, and I very much enjoyed visiting the Honda plant in his constituency and hearing for myself how important the people there believe a free trade agreement with Japan would be. The automotive industry in Britain is a success story. Honda, Nissan, Toyota and Jaguar Land Rover are all doing well. They are doing well because of the highly trained and motivated work force here in Britain, of course, but also because we are members of the single market and have the ability to sell into Europe. We should remember that.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): The Prime Minister has said his policy on Europe is modelled on the “tantric” approach. Given the different, and increasingly bizarre, positions of some members of his Government on Europe, can he confirm that his final speech will be based on the “Kama Sutra”?

The Prime Minister: In my defence, my remarks were spontaneous and made in an unwritten speech, whereas the hon. Gentleman actually planned those comments.

Jacob Rees-Mogg (North East Somerset) (Con): I should like to reassure the Prime Minister that for the sake of consistency we had a toast to him in Somerset at the weekend, but I am afraid there is a “but” on this occasion, which is that agreement to the single supervisory mechanism was by unanimity, but the rules for voting on the European Banking Authority can be changed by qualified majority voting. I therefore wonder whether the Prime Minister has got enough from these negotiations, and whether we ought to repatriate financial services regulation powers.

The Prime Minister: My hon. Friend makes an important point, but I am not sure that I agree with him. The banking union changes went through under a treaty article that requires unanimity. That was good for Britain, because it gave us the ability to insist on the changes we needed and to get the safeguards we wanted. I believe, however, that the single market, and qualified majority voting on the single market, has helped to deepen and develop that single market. That is why Margaret Thatcher passed the Single European Act through this House. We want to have an effective single market in financial services. This country has 40% of Europe’s financial services industry, and we have to fight for it and build alliances for it. There are often frustrations in doing so, but having a single market in financial services is good for Britain.

Nia Griffith (Llanelli) (Lab): Some very important decisions will be taken in the EU over the next couple of years, but the Government’s review of the competences is not expected to report back in full until 2014. How will that impact on the UK’s current negotiating position?

The Prime Minister: The hon. Lady asks an important question, but I think the timing is relatively helpful. It is sensible for Britain to have a balance of competences review, given how long we have been a member of this organisation. Let us go through the areas of competence—those inside and those outside the European Union—and ask in each case whether we benefit, what the problems are, and what the potential opportunities are, and reach a proper view about them. That will inform the decisions

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we make as the EU develops. As I have just argued, I think the real changes in the EU will not come in the next year. As the Leader of the Opposition said in his response, the time-bound road map still has quite a long way to run, and such road maps have a habit of not entirely sticking to the time set.

Sir Tony Baldry (Banbury) (Con): Does my right hon. Friend agree that the explicit protection for the single market agreed at the European Council makes it easier for those countries that want to have closer integration to integrate and those that want a looser relationship with Europe to have one?

The Prime Minister: My hon. Friend makes an important point. What I have spotted over the past seven European Councils is that although to begin with, I was the lone voice always going on about the integrity of the single market—I have a bit of a reputation, dare I say it, for boring on about it in European Councils—a number of other European leaders, including Mario Monti, now see the importance of talking at all stages about safeguarding the integrity of the market.

Wayne David (Caerphilly) (Lab): Does the Prime Minister plan any tantrums or walk-outs from European Council meetings in the near future? Or will he give a commitment to be there at all times, ensuring that he upholds the British national interest?

The Prime Minister: I am always there upholding the national interest. I have never walked out of a room, but I have on occasion said no and I think that is sometimes the purpose of a Prime Minister.

Mrs Anne Main (St Albans) (Con): My right hon. Friend said in his statement that there are “questions of national sovereignty” and that this will “alter the European Union for all of us”. Are there any debates in public about this newly created eurozone? What animal will be created and what national sovereignties will be lost? We need to know the being of which we are part.

The Prime Minister: The point I would make to my hon. Friend is that there are clearly lively and vigorous debates in eurozone countries, because they are at the sharp end and can see absolutely that there is a battle over national sovereignty, how much say they will have over setting their own budgets and how much of those budgets will be determined by the European Commission. Part of what was discussed by the eurozone at the Council was effectively a set of future contracts whereby countries might have to enter into a contract with the European Commission about their future budgets. There is a very live debate in those countries. We are not in the eurozone, so we are not affected by those contracts, but my argument is that change in the eurozone has knock-on effects for the organisation of which we are a full member and that is why it is so important for us to consider these issues.

Mr Ronnie Campbell (Blyth Valley) (Lab): But when will the Prime Minister ask the European Council to investigate widespread and endemic corruption in the European Union, as well as endemic fraud, the fact that billions are being thrown down the drain and that

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accounts have not been signed off for 18 years? What sort of organisation is that to come to us, the British people, and ask us to pay more money in to it?

The Prime Minister: I have a lot of sympathy with what the hon. Gentleman says. Europe has been too loose with its money: it has not been properly audited and there has been too much fraud and, as he says, potentially corruption. On the budget negotiations, the European Commission is having to accept for the first time that its ambitions for spending in Europe are completely unrealistic, not only for spending on programmes, but, as it is beginning to see, for spending on itself, too.

Mr Peter Bone (Wellingborough) (Con): I congratulate the Prime Minister on putting off his speech about Europe. It is clear to me that it is a most important speech and it is better to put it off and get it right. We had a little hint today, Mr Speaker, when he said for the first time that he was against an immediate in/out referendum and I think the British people can wait until January for their Christmas present.

The Prime Minister: I am not sure that I will be able satisfy my hon. Friend or, indeed, the other members of his household, but I will try my best. As I have tried to explain this afternoon, the change process in Europe requires some tactical and strategic patience in the UK to see how that change will pan out so that we can get our response to it right. That will be the time at which we will have the maximum amount of influence: when Europe is making big changes itself.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): In answer to a previous question, the Prime Minister said that he is in favour of the expansion of the European Union. How big does he want the European Union to get and what are the implications for the movement of populations across Europe?

The Prime Minister: I would argue in favour of, as some would put it, a Europe that extends from the Atlantic to the Urals and includes all those countries that are currently applying, such as the countries of the western Balkans—I would very much like to see Macedonia and others become members of the European Union. One of the European Union's greatest successes has been that countries wanting to join have entrenched their democracy and their belief in open and free markets. It has been a very successful policy in that regard. Britain has always argued for enlargement and we should continue to do that. We should always put in place transitional controls, which I am afraid the last Government failed to do.

Martin Horwood (Cheltenham) (LD): Many Syrians will welcome robust European support for the mainstream opposition, but will the EU, like the UK Government, urge the involvement of Kurdish as well as Alawite Christian and other minorities in opposition councils? That seems vital for future peace.

The Prime Minister: My hon. Friend makes a vital point; we should be encouraging an inclusive transitional authority, as we have done in all the meetings of my

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right hon. Friend the Foreign Secretary and the Friends of Syria group. The Kurds have now joined the Syrian national coalition.

Mr Jim Cunningham (Coventry South) (Lab): I noticed that in the Prime Minister's statement nothing was said about recent events between the Israelis and the Palestinians. Was there any discussion of that situation, particularly about sanctions, and more importantly, the two-state solution?

The Prime Minister: There was not a specific discussion at the Council of the middle east peace process. We were focused particularly on Syria; there was also a discussion about future enlargement. There was not a big discussion about the middle east peace process. Our position is clear, as the hon. Gentleman knows; we support the two-state solution and everything we do should be encouraging it to come about.

Dr Julian Lewis (New Forest East) (Con): Talking about membership of the European Union, did the Prime Minister pick up, although no doubt it was not on the formal agenda, whether or not an independent Scotland would have to reapply to join, and if so, whether it would have to join the euro?

The Prime Minister: My hon. Friend makes an important point. There was no formal discussion, but the issue was discussed in the margins, as it were, because a number of countries take an interest in it. The letter from José Manuel Barroso is pretty clear: Scotland would have to apply to join the European Union. Obviously, Britain is the only country that has a legal, binding, copper-bottom opt-out from the euro. All the other countries, by and large, are committed to join the euro—*[Interruption.]* And Schengen, as the hon. Gentleman says. That is important for the Scottish debate.

Paul Flynn (Newport West) (Lab): The Prime Minister said that Syria is attracting and empowering elements linked to al-Qaeda, presumably to help the Government side. What evidence does he have for that?

The Prime Minister: Tragically, the elements that are linked to al-Qaeda are actually linked to elements of the opposition. There is strong evidence that groups such as the al-Nusra front take an unacceptable view about Islamic extremism. There are very real concerns about the issue, which lead to the argument about how involved we should get with the Syrian opposition. There is a strong argument that by being more involved with like-minded allies we could try to support the elements of the Syrian opposition that most want to see a free, democratic and inclusive Syria.

Mr John Baron (Basildon and Billericay) (Con): Given the push for ever-closer union in the eurozone, does the Prime Minister believe that the status quo for Britain—outside the eurozone but inside the EU—has a viable long-term future?

The Prime Minister: The short answer is yes. The European Union is going to have to manage with some countries that are in the eurozone, some countries that are not in the eurozone and are pretty unlikely to join for a pretty considerable time and some countries, such

as Britain, that in my view will never join. When we look at opinion polls in the Czech Republic or Sweden, or in some other countries outside the eurozone, there is no sign of them joining the euro any time soon, so Europe will have to manage in that way. My argument is that it needs to be flexible now, and perhaps even more flexible in the future, so that all countries can be content with the membership they have.

Kevin Brennan (Cardiff West) (Lab): When the Prime Minister finally delivers his long-delayed speech on Europe, will it be the policy of the UK Government that he sets out, or will it be the policy of part of the UK Government excluding the Education Secretary, the policy of part of the UK Government excluding the Liberal Democrats or the policy of part of the Conservative party—or will it just be his own personal opinion?

The Prime Minister: I am so pleased the hon. Gentleman is looking forward to my speech. He will obviously read it very closely, which will be worth while. Clearly, this country has some choices to make about Europe within this Parliament, and we have already made some big choices. We have said no to more powers being passed from Westminster to Brussels, and unlike the previous Government, there have been no powers passed. We have said let us get some powers, such as the bail-out powers, back from Brussels, and we have got those back. We have said let us get a better financial deal, and I am confident that we will get a far better financial deal than anything negotiated by the Opposition. But of course there will be a choice for all political parties, the hon. Gentleman's included. As the eurozone changes, as Europe develops, there will be a choice to make in the run-up to the 2015 election to set out how we are going to take the British people with us to make sure that we get the best future for Britain in Europe.

Philip Davies (Shipley) (Con): After the last European Council, the Prime Minister indicated that he favoured an in/in referendum. Further to the point from my hon. Friend the Member for Wellingborough (Mr Bone), in reply to which the Prime Minister seemed to oppose an immediate in/out referendum, may we take it that he now supports an in/out referendum, perhaps in the next Parliament? If he does introduce that policy, I can assure him that he will have a great deal of support from those on the Government Benches and also from the public at large.

The Prime Minister: I am grateful, as ever, for my hon. Friend's advice, which is always candid and straightforward. I will make sure that he gets a copy of my speech in the middle of January and he will be able to study it closely.

Mr William Bain (Glasgow North East) (Lab): The Council conclusions call upon member states to pursue "growth-friendly, fiscal consolidation". Does the Prime Minister accept that with our economy shrinking this year, the eurozone economy predicted to shrink next year, and 25 million people across the EU out of work, the plan is not working over there and it certainly is not working here?

The Prime Minister: I think the reference to growth-friendly consolidation is right. That is why, for instance, in the autumn statement, we have put more money into

capital spending in the immediate years, and also taken some difficult decisions on welfare spending—decisions which I know the hon. Gentleman's party is unprepared to support—to make sure that we can focus on those things that will help with growth. But when we look across Europe, we can see that because we set out a long-term plan for getting on top of the problems in our public finances, we are able to take it in reasonable stages and at a reasonable pace—one of the advantages of not being trapped in a system where we are told what to do by the European Commission.

Richard Drax (South Dorset) (Con): I refer the Prime Minister to an earlier question about certain countries adopting their own currencies. He said that if we believe in democracy, the right decision will be made. Does he agree that there is no democracy in this federalist state at all? Does he also agree that true democracy can only be the repatriation of all the powers to sovereign countries?

The Prime Minister: The point that I was trying to make in response to the earlier question is that we have to respect the outcomes of elections in other countries. In Greece elections have been held. In Spain elections have been held. We may think that those countries have taken the wrong decisions with respect to the euro or whatever, but those are decisions for them to take, not for us to take. We in this country, through this House of Commons elected by the British people, should determine the right approach for Britain, but I do not think it is possible to say that we have a right in this House to decide the right approach for Greece, Spain or Italy. We may have strong views, but the idea that we can go to the European Council and just tell all those people that they are not listening properly to their own publics is incredible.

Toby Perkins (Chesterfield) (Lab): Is it not the reality that the Prime Minister has not made his long-awaited speech because he is the head of a party that is entirely ungovernable on Europe?

The Prime Minister: No, I completely disagree. The Conservative party's position is absolutely in line with the position of the British public, which is that we know we need to be in the single market because we are a trading nation and our businesses benefit and our economy benefits from that, but we are not happy with every element of our membership of the European Union. Unlike the Labour party, which just caved in, gave in on common agricultural policy reform, gave in on the rebate, gave in on the bail-out, we are prepared to stand up and get what we want.

Mr Jonathan Djanogly (Huntingdon) (Con): Reform, for most EU states, seems to be focused on banking reform, but for many of us this extends to cutting waste and spending, CAP reform, and repatriation of powers—all things which will certainly be thrown into the reckoning in an in/out referendum or indeed any kind of referendum, so could my right hon. Friend explain how these wider issues are being addressed by the European Council members?

The Prime Minister: In terms of the UK, I think that the balance of competences review is a good exercise for looking at all our engagement with Europe and its costs

and benefits. Within the European Union, all those issues are addressed and different countries come to different conclusions. We should not be frightened of standing up and saying very clearly what we think is in Britain's interests.

Mr Speaker: I fear that the Annunciator is rather over-excited. I can assume only that it has not yet become accustomed, as I have not, to the spectacle of the hon. Member for Shipley (Philip Davies) using an iPad in the Chamber. It is quite a remarkable state of affairs on which he is, of course, to be congratulated.

Huw Irranca-Davies (Ogmore) (Lab): I ask the Prime Minister: on actual, tangible economic growth, how is it going?

The Prime Minister: In the last quarter the British economy grew by 1%, the fastest growth of any major country in the European Union. Clearly, though, right across Europe there are immense growth challenges. The eurozone is back in recession. What we see with the British economy, despite all the difficulties, is that there are over 1 million extra people in private sector jobs compared with when we came into office.

Henry Smith (Crawley) (Con): A few weeks ago I held a conference with my local small and medium-sized enterprises, along with UK Trade & Investment, focusing on increasing exports. Will my right hon. Friend say a little more on how he has been able to protect small and medium-sized enterprises from unnecessary and burdensome European regulation?

The Prime Minister: What we have managed to do is get the European Commission not only to instruct—it is quite fond of doing this—other European countries to look at deregulation, but to look at its own rules and regulations. I think that it is quite striking that the communiqué, the Council conclusions, actually uses the word “scrap” in relation to some European regulations, particularly those that are no longer of use. The Europe Minister, who is sitting next to me, is gesticulating because he knows that getting the bureaucrats in Brussels to use a word like “scrap” is an achievement.

John Cryer (Leyton and Wanstead) (Lab): Will the process of increasing centralisation and integration, which the Prime Minister mentioned at the beginning of his statement, lead inevitably to a loss of democratic accountability, and what future implications will that have for the security of democracy in many western European countries?

The Prime Minister: I think that the hon. Gentleman makes an important point. It is for those countries that are contemplating that integration and that loss of sovereignty to answer that question. I would not be comfortable with it, as someone who believes in the importance of national Parliaments, national democracy and national decision making, but it is for Greek voters and politicians and Spanish voters and politicians to have that debate themselves. Are they content to give up that much sovereignty in return for a single currency that works? That is their decision. We can all have our

views on that, but we have to allow them to make that determination. The point I would make, having attended these things for two and a half years, is that we should not underestimate the sense of mission that those European countries and leaders have about their own currency and wanting to make it work.

Mr Julian Brazier (Canterbury) (Con): In supporting my right hon. Friend's struggle for British interests and, in particular, his identification of the crisis in the eurozone as the key driver for change, may I urge him to put free movement of labour at the top of the issues for potential renegotiation because, as a number of Members on the Government Benches, including the Front Bench, have pointed out, it might not be only the recent entrants with whom we have problems if the crisis in southern Europe worsens over the next year or two?

The Prime Minister: I will look carefully at what my hon. Friend has said. Clearly, the freedoms of the European Union—the freedom to trade, free movement of capital and free movement of people—have all been important in trying to deliver the economic growth and success we want to see. I will make two points. First, when new members have joined we have been able to put in place transitional controls, and in my view we should always do that. Secondly—this was examined when there was a greater sense of crisis in the eurozone—there are rules that can be invoked in a time of crisis if we need to abrogate those freedoms in some way.

Gavin Shuker (Luton South) (Lab/Co-op): Can the Prime Minister ever imagine Britain leaving the EU?

The Prime Minister: That is not a position I support, so I do not spend my time thinking about it, but clearly all futures for Britain are imaginable—we are in charge of our own destiny and can make our own choices. I believe that the choice we should make is to stay in the European Union, to be a member of the single market and to maximise our impact in Europe, but when we are unhappy with parts of the relationship we should not be frightened of standing up and saying so. As I have said, we have got out of the bail-out power. I think that we made a mistake joining the social chapter. We should be prepared to have these discussions. The fact that we are not in the Schengen agreement is not a disaster for Britain; it is a bonus for Britain. The fact that we are not in the single currency is not a disaster for Britain; it is a bonus for Britain. That is the sort of Europe we should be pushing for.

Mark Pritchard (The Wrekin) (Con): Ahead of my right hon. Friend's speech on Europe, and given his very busy schedule to which he referred, may I, in the spirit of Christmas, offer him a helping hand on his Europe speech and say that I will be fully available all over the Christmas holidays?

The Prime Minister: That is an alluring prospect, and I am sure that many hands will make light work.

Jim Shannon (Strangford) (DUP): I thank the Prime Minister for his statement. I refer him to the growth and competitiveness part of it and the sentence about “new safeguards that will protect the interests of those countries outside the eurozone.” The United Kingdom of Great

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Britain and Northern Ireland has strong economic and trading contact with the Commonwealth countries. Will he assure this House that the historic trading links with the Commonwealth will be encouraged to continue and grow within Europe?

The Prime Minister: The hon. Gentleman makes an important point. Half our trade is with the European Union, but the other half is with countries outside the European Union. In recent years we have obviously seen very fast growth in that trade with some of the fast-growing BRIC countries—the Brazils, the Russias, the Indias and the Chinas—but we also have very strong relations with our Commonwealth partners. We should be encouraging our trade relations with all those countries. There is also the EU-Canada free trade agreement, which is under negotiation and could bring real benefits to both sides.

Rehman Chishti (Gillingham and Rainham) (Con): Will the Prime Minister comment on reports that Turkey has made a new proposal to Russia for a transition in Syria?

The Prime Minister: Discussions are always under way between the leading powers who are concerned about the future of Syria. Obviously both Turkey and Russia play quite influential roles in terms of this issue, and everything we can do to encourage contact, particularly with the Russians, to encourage them to think about how we can achieve a transition in Syria is worth while.

Mr Graham Stuart (Beverley and Holderness) (Con): I refer the House to my declaration of interest. Was there any discussion at the Council about co-operation with China to accelerate the reductions in cost in a transition to a low-carbon economy? Will the Prime Minister meet me and other members of GLOBE UK to discuss this issue?

The Prime Minister: There were no discussions about our relations with China on this occasion, nor were there discussions on energy policy, which take place at different European Councils, but I am always happy to meet my hon. Friend and hear his concerns.

Charlie Elphicke (Dover) (Con): My right hon. Friend will be aware of the idea that, in future, City of London traders could deal in yen and in dollars but perhaps not in euros. Do the safeguards that he won in Europe protect the City of London from that risk?

The Prime Minister: My hon. Friend makes an important point. There have been moments over previous years when it looked as though, because of a location policy, it would have been possible to say that Britain could clear deals in pounds, in yen and in dollars but not in euros. As a member of the European Union, which is about free trade

and a single market, this would have been a ridiculous state of affairs. The guarantee that my right hon. Friend the Chancellor secured on a no-discrimination policy takes us largely down the road we want to be on.

Bob Stewart (Beckenham) (Con): Will my right hon. Friend reaffirm his position with regard to the European

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Union military command headquarters, particularly as five major nations in Europe want it to be established, and I do not think we do?

The Prime Minister: I am happy to repeat that we are against the idea of an operational headquarters. This came up again tangentially at the European Council, with some attempts to change the language about what was required, and I said that that was not acceptable. The focus of the European Council conclusions is rightly about capacity. We are all interested in European countries having greater capacity to deal with these issues, but we do not want duplication of headquarters and challenges to NATO.

Mr Robin Walker (Worcester) (Con): May I welcome the Prime Minister's very clear statement that we will never support a European army? In an increasingly multi-polar and fast-changing world, and given his answer to the question about Commonwealth trading, does he agree that it would also be against Britain's interests as a trading nation to give up its independent foreign policy and support a full common foreign policy?

The Prime Minister: My hon. Friend makes an important point. I think we can have the best of both worlds, where we work with European partners to have common positions on issues such as sanctions against Iran or Syria, which can maximise our potential and our influence; but, at the same time, we are an independent power and are able to have independent policies and forge independent relations with some of the fastest-growing countries of the world, and we should continue to do that.

Valerie Vaz (Walsall South) (Lab): Will the Prime Minister clarify whether, if he does not get his preferred position on renegotiation, he would consider leaving the European Union?

The Prime Minister: As I have said, I think that Britain will do best if we can maintain not just our access to the single market, but, crucially, our ability to help set the rules of that single market. That is where I part company with those people who want to leave altogether, because it seems to me that it is absolutely vital that a nation that is as reliant on trade and that is as open as Britain is does not just have access to those markets, but helps write the rules of those markets as well. That is the future we should seek.

Jason McCartney (Colne Valley) (Con): I praise my right hon. Friend for raising the issue of the EU defence policy, because there is confusion and duplication in relation to command and control. I have seen the operations in the horn of Africa, for example,

which has the EU's Operation Atlanta and NATO's Operation Ocean Shield. With that in mind, is he concerned, like me, about the proliferation of costly EU embassies, which are popping up all over the planet?

The Prime Minister: On the issue of the embassies of the European External Action Service, we in this party did not support them in the first place. We should limit them and try to make them as cost-effective as possible.
