

**Localism Bill Committee**  
*Thursday 3 February 2011 (Afternoon)*  
**[Mr David Amess in the Chair]**  
Localism Bill

**Clause 17**

**Disclosure and registration of members' interests**

1 pm

*Question (this day) again proposed,* That the clause stand part of the Bill.

**The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell):** I welcome you back to the Chair, Mr Amess.

When I laid out the argument for why clause 17 was required, I pointed out that it is vital to have transparency. My hon. Friend the Member for Bradford East supports that, and he made the good point that accountability is provided by an ability to see everything in public.

It is also worth making it clear that clause 17 is consistent with the Government's approach, because the starting point has to be that councils, which are democratically accountable to their own electorates, should be free to decide how they promote and maintain high standards of conduct among all their members. Under clause 16, they can decide whether to have a code or a standards committee. All such decisions are to be made locally, but if criminal law is involved, it is right that Parliament takes a decision that applies to councils everywhere. Clause 17 engages the criminal law, because wilfully not registering a financial or other interest is a very serious matter. It is right that that should be a criminal offence. That is why the Bill requires councils to keep a register, which is a proper decision for Parliament and is not for local discretion.

**Mr Nick Raynsford** (Greenwich and Woolwich) (Lab): I fully understand the Minister's argument about failures to declare a financial interest, but will he tell the Committee whether a failure to declare membership of a local voluntary sports club or organisation that has no proposals that would affect council decisions in the immediate short term would give rise to the possibility of committing a criminal offence? I cannot see how it would, but perhaps the Minister has more information than I do.

**Andrew Stunell:** No, I cannot see how it would, either. Apart from anything else, subsequent clauses make it clear that whether or not a prosecution arises will depend on the circumstances of the case. However, it is extremely difficult to imagine that that would happen in the circumstances outlined by the right hon. Gentleman.

I want to clarify two or three other points. On the impact assessments, I assure the hon. Member for Worsley and Eccles South that the blank tables that she can see on her screen appear only when those tables are part of the underlying template. They have not been filled in because the evidence is presented elsewhere in the impact assessment. We will make printed

copies of the all the impact assessment available to members of the Committee at our future sittings, which I hope will be helpful to everyone.

I was asked about the cost of abolishing the Standards Board. The cost in 2010-11 is £700,000, which is being met from its operational budget of £6 million—I have not yet commented on that enormous cost. That will be the cost of the redundancies of staff leaving the organisation as it scales back its activities. At the start of 2010, the organisation had 81 members of staff, and that number has now been reduced to 49. For the next financial year, which is intended to be the last year of the board's operation, the impact assessment details that the cost of abolishing the board is forecast to be a total of £14.7 million, which consists of redundancy costs of nearly £1 million and pension liability crystallisation costs of £12 million.

I was also asked about the impact of transferring complaints to the local government ombudsman service. We think that the impact will be slight. The assumption that the impact will be large is based on a view that conduct will deteriorate, that more cases of maladministration will arise and that councillors will be able to get away with more poor conduct more easily, thus creating injustice that must be referred to the ombudsman, but we do not accept that.

**Barbara Keeley** (Worsley and Eccles South) (Lab): I think I used the word “naive” this morning, and what the Minister has just said is naive. He proposes to abolish an organisation that had 80 employees, and then had 50, and to transfer a considerable chunk of its work to the local government ombudsman, because that will be the only form of redress apart from criminal proceedings. I fail to see how the impact on the local government ombudsman can be slight, as he suggests. People will have to complain to the local government ombudsman because they will not be able to complain to the Standards Board. I encourage the Minister to reconsider, because I do not accept that the impact will be slight in any way, shape or form.

**Andrew Stunell:** We do not intend that the Standards Board's existing full work load will be transferred to the local government ombudsman. It will, initially, be for the local authority to resolve cases as it sees fit. The nature of the matter raised will determine whether a case goes beyond the local authority. For example, it might or might not be a matter for criminal prosecution, it might or might not come under harassment legislation, it might or might not be a matter for the district auditor or the auditing arrangements, and it might or might not be a matter for the local government ombudsman. The local government ombudsman will be engaged if a matter of maladministration arises. We do not anticipate a significant rise in the number of new maladministration cases that are referred to the ombudsman as a result of the abolition of the Standards Board.

**Mr Raynsford:** The Minister says that cases will be referred to the ombudsman only if the local authority's consideration has not produced an outcome. That is the current arrangement; matters are referred to the Standards Board only if an individual is not satisfied with the outcome of internal discussions.

My hon. Friend the Member for Worsley and Eccles South says that it is inconceivable that the impact on the local government ombudsman's work load will be only slight. Unless the Minister can convince us that the members of the public who currently refer their cases to the Standards Board, because they are not satisfied with the local determination, will not seek redress through the ombudsman, it is inconceivable that the work load of the ombudsman will not increase.

**Andrew Stunell:** If the right hon. Gentleman believes that any evidence exists to support his assertion, we would be interested to see it. We have made our assessment. We have taken the best advice on the matter and we believe that we have reached the right conclusion.

**Mr Raynsford:** Will the Minister address the question that I posed this morning about the Government's intentions regarding the regulations that the clause allows? I asked him to indicate how the Government intended to regulate, what the scope and timing of the regulations would be, and how they would define the obligations of local authorities, but I have not yet had a response.

**Andrew Stunell:** I apologise to the right hon. Gentleman. I did have it in mind to respond to his point. Clearly, the Secretary of State will produce his regulations as soon as practicable. There will be a consultation process. I think that it would be quite surprising if the result of the circulation of the draft and the consultation was not a set of requirements that were, broadly speaking, identical to what we currently have. Although that is a matter for some consultation, it is certainly not a reason for delay.

*Question put and agreed to.*

*Clause 17 accordingly ordered to stand part of the Bill.*

*Clauses 18 to 20 ordered to stand part of the Bill*

## **Clause 21**

### **Senior pay policy statements**

**Jack Dromey** (Birmingham, Erdington) (Lab): I beg to move amendment 45, in clause 21, page 18, line 28, after 'statement', insert

'and a low pay policy statement'.

**The Chair:** With this it will be convenient to discuss the following:

Amendment 46, in clause 21, page 18, line 31, at end insert—

'(2A) A low pay policy statement for a financial year must set out the authority's policies for the financial year relating to the remuneration of its lowest paid staff.'

Amendment 47, in clause 21, page 18, line 32, leave out 'The statement' and insert

'The senior pay policy statement'.

Amendment 48, in clause 21, page 19, line 3, at end insert—

'(5) The low pay policy statement must include the authority's policies relating to—

(a) the lowest amount any employee of the authority is currently being paid,

(b) the number of employees being paid at this level,

- (c) the number of employees paid 10 per cent. above this level,
- (d) the number of employees paid 20 per cent. above this level,
- (e) the minimum amount any employee will be paid, and
- (f) the pay multiple to be maintained between the lowest paid and the highest paid employee of the authority.’.

Amendment 49, in clause 22, page 19, line 5, after ‘statement’, insert  
‘and low pay policy statement’.

Amendment 50, in clause 22, page 19, line 5, after ‘must’, insert ‘each’.

Amendment 51, in clause 22, page 19, line 6, leave out ‘it comes’ and insert ‘they come’.

Amendment 52, in clause 22, page 19, line 11, after ‘statement’, insert  
‘or low pay policy statement’.

Amendment 53, in clause 22, page 19, line 14, after first ‘statement’, insert  
‘or low pay policy statement’.

Amendment 54, in clause 24, page 19, line 29, at end insert  
‘or to the lowest paid workers of the authority’.

Amendment 55, in clause 24, page 19, line 30, after ‘statement’, insert  
‘and its low pay policy statement’.

Amendment 56, in clause 24, page 19, line 40, after ‘statement’, insert  
‘and low pay policy statement’.

New clause 1—*Pay transparency statement by local authority contractors*—

‘(1) It is the duty of every relevant authority when entering into a public supply or works contract with a company or organisation (a “contractor”) for the supply of services or for the execution of works to the value of more than £250,000 in any financial year, to include a provision in that contract that the contractor prepare a pay transparency statement relating to its highest and lowest paid workers within three months of the contract being finalised.

(2) The contracts which are public supply or works contracts for the purposes of this section are contracts for the supply of goods or materials, for the supply of services or for the execution of works; but this section does not apply in relation to contracts entered into before the commencement of this section.

(3) Where the individual value of contracts referred to in subsection (1) fall below £250,000 but the aggregated value of contracts with a company or organisation (a “contractor”) exceed £250,000, then that company or organisation (a “contractor”) will be subject to the same conditions set out in subsection (1).

(4) A pay transparency statement must include—

(a) the highest gross pay any employee of the contractor, carrying out work in relation to the contract or contracts referred to in subsections (1) and (3), is currently being paid,

(b) the lowest gross pay any employee of the contractor, carrying out work in relation to the contract or contracts referred to in subsections (1) and (3), is currently being paid, and

(c) the pay multiple to be maintained between the lowest paid and the highest paid employee of the contractor.

(5) The contract referred to in subsections (1) or (3) must provide that the contractor prepare a new pay transparency statement for each financial year by the date specified in section 22(3).

(6) A relevant authority must publish any pay transparency statement produced by its contractors under subsection (1) or subsection (5) in the manner set out in section 22(5).

(7) In this section—

(a) “relevant authority” means a relevant authority within the meaning of section 26(1),

(b) “financial year” means a financial year within the meaning of section 26(6).

(8) In Part 2 of the Local Government Act 1988 (public supply or works contracts), after section 17(10)(b) insert—

“(c) the duty imposed on it by section [Pay transparency statement by local authority contractors] of the Localism Act 2011.”.

**Jack Dromey:** Amendments 45 to 56 would ensure that councils publish a low pay policy statement alongside their statement on senior pay. New clause 1 would require local government contractors to provide pay transparency statements if the value of their contract or contracts was in excess of £250,000.

Let me make it clear that the Opposition fully support greater transparency in the pay of senior officials in the public sector. The measures to increase pay accountability in local government are to be welcomed. Taxpayers have a right to know how their money is being spent, and there is clear evidence of excess in too many local authorities. However, of those people who earn more than £150,000, in excess of 90% work in the private sector. Much of what has happened in the public sector has been driven by tearaway pay at the top in the private sector. None the less, that does not justify the decisions that too many councils have made about the pay of their senior officers.

The Government are keen on propagating myths about pay in the public sector, so let us nail those myths before we get to the substantive issues. First, the Government would have us

believe that all public sector workers are well paid, but the truth is that a quarter of those living in in-work poverty are employed by the public sector. Secondly, the Government would have us believe that all public sector workers have gold-plated pensions, but the truth is that the average pension is £4,200 a year. Thirdly, the Government would have us believe that local councils can spare front-line services simply by cutting executive pay, trimming waste and sharing back-office functions, but the truth is that they cannot. Birmingham city council faces a cut of £170 million to its budget in the next financial year alone, and we are already seeing front-line services—from youth services to social care—cut to the bone.

Let me stress once again that we welcome the proposals on senior pay. However, we strongly believe that there should be a rounded approach to transparency in local authority pay that is fair and consistent. If we are to believe the Prime Minister when he suggests that the Government wish to

“extend transparency as far and as wide as possible”,

I am sure that Government Ministers will wish to support the amendments and help us to shine a light on good and bad practice at the bottom as well as at the top—wherever taxpayers’ money is being spent.

1.15 pm

We believe that the amendments would bring about greater transparency and therefore help the Government in their stated objective of curbing excessive top pay. How will a highly paid chief executive officer be able to defend excessively high pay if the public can also see what the lowest paid members of staff earn in contrast? How will a council be able to defend an outsourced contract as good value if the pay transparency statement shows that those working on the contract are excessively paid? I agree with the Secretary of State that:

“The public should be able to see where their money goes and what it delivers.”

However, why should not that include those being paid excessive amounts through procurement contracts, or those being underpaid with taxpayers’ money?

The low pay policy statement that the amendments would introduce would, rightly, allow local authority employees to see what percentage of them were paid the minimum wage by the authority—the minimum national rate—and what percentage were paid 10% and 20% above that level. That will empower employees to determine whether their authority’s pay policy has a fair distribution. Pay transparency incorporating both low and high pay would bring a welcome focus on internal relativities of pay. That would enable local people to assess, as the Government have argued they should, acceptable levels of senior pay in local authorities. It would also, crucially, enable them to assess whether their local authority was paying its lowest-wage workers at an accepted threshold. The London living wage has sought to address that point. I have stood on platforms with Boris Johnson, the Mayor of London, and the Deputy Prime Minister from which we have collectively advocated the value and virtue of the London living wage.

I am sure that Ministers agree that taxpayers would not want to be the beneficiaries of services provided by workers who they considered to be underpaid, just as much as they rightly want to see value for money at the top. Transparency should cut both ways: fairness at the top and

fairness at the bottom. Fairness at the top and bottom must both be included whenever taxpayers' money is involved.

It cannot have escaped the attention of Ministers that their implementation of a senior pay policy in local government creates a double standard because the same logic is not applied to contractors providing goods and services to town halls in excess of £250,000. We all know that Ministers like to pretend that there is no link between the public and the private sector, but the truth is that significant sums of public money go to private contractors that then provide goods and services for taxpayers. The local government procurement market represents a total of £34.2 billion. Are taxpayers not entitled to transparency? Should they not know where the money is going?

**Brandon Lewis** (Great Yarmouth) (Con): I have two questions about new clause 1, to which the hon. Gentleman has started to refer. First, surely the transparency that residents want to ensure that their money is well spent relates to the value for money of the contract, rather than the pay of the people working under it. If the contract is good value, it is good value. My second question, which leads on from that, is that if the Opposition are saying that they want to impose public authority regulations around transparency on private companies, why did they not do so through the Companies Act 2006 when they were in government? Have they assessed the possible impact of new clause 1, given that the 2006 Act puts different responsibilities and different legal requirements for transparency of pay on private companies from those outlined in the amendment?

**Jack Dromey:** The hon. Gentleman's first question demonstrates a rather poor view of what local residents expect. Let me give a commercial example. I have worked with major companies in the private sector such as the supermarkets and the ethical trading initiative. There is an increasing recognition that those who buy from high street stores and supermarkets want to know how employees in the supply chain—domestically or internationally—are treated. Such a welcome trend in public opinion should be supported.

**Brandon Lewis:** Surely we are coming back to the point we discussed this morning about the difference between local accountability—letting local councils make a decision and acting for their residents—and top-down control, which the provision would bring about.

**Jack Dromey:** With the greatest of respect to the hon. Gentleman, the principle is clear. If there is a demand for transparency, which we support, why not have transparency for both top pay and low pay whenever taxpayers' money is expended?

**Brandon Lewis:** Will the hon. Gentleman deal with my question about the impact of new clause 1, given that the Companies Act puts different requirements on companies for pay transparency?

**Jack Dromey:** Without wishing to bore hon. Members with a great deal of historical detail, I was involved in work in 1997-98 with the CBI, the Business Services Association and various contractors that led to welcome changes to the regime of compulsory competitive tendering. The CCT, which was a centralist measure, was abolished, and there was an insistence that local authorities should take work-force matters into account. Subsequently, following a proposal from two major private sector organisations, I chaired the TUPE forum through which public, private and voluntary sectors worked together with the trade unions and other stakeholders to update the Transfer of Undertakings (Protection of Employment) Regulations 1981. Let me

give one other example. Together with the private, voluntary and public sectors, I was personally and deeply involved in discussions around the two-tier code. Some welcome progress was made with, I am pleased to say, a large amount of consensus on the part of not only employees and their representatives, but employers.

**Brandon Lewis:** I appreciate the hon. Gentleman's generosity in giving way again, but I ask him the same question again. He has not dealt with the question I asked; he just talked about something else. It was very interesting, but he did not answer my question.

**Jack Dromey:** I am glad the hon. Gentleman finds it very interesting. No doubt he will make a speech in due course explaining exactly what he means because, with the greatest of respect, at the moment his comments are somewhat delphic.

May I return to the issue of taxpayers being entitled to transparency? We know from the evidence given to the Committee that a whole number of witnesses certainly seem to think it is necessary. Mayor Jules Pipe thought the measure was very relevant if, under the Bill,

“we are moving into another series of outsourcings”.—[*Official Report, Localism Public Bill Committee, 25 January 2011; c. 55, Q93.*]

He thought it should be applied to contractors and “down the chain.” Councillor Gary Porter agreed, saying:

“Yes, really. I do not see a problem in making anybody whose business benefits from it accountable”.—[*Official Report, Localism Public Bill Committee, 25 January 2011; c. 12, Q11.*]

Professor Stewart from the Institute of Local Government Studies, in his characteristically robust fashion, said:

“In America, there is interesting talk that, if you privatise a public service, it is not just privatisation, but an element of publicisation”.—[*Official Report, Localism Public Bill Committee, 25 January 2011; c. 40, Q59.*]

I remember hearing a speech by a Republican Senator on this very issue. Like Professor Stewart, he addressed the issues intelligently.

Neil McInroy, from the Centre for Local Economic Strategies, also agreed, saying:

“I think that, in terms of procurement, one needs to go even further. A whole range of employment and environmental practices of suppliers of public goods and services at local government level need to be porous, open, and transparent.”—[*Official Report, Localism Public Bill Committee, 25 January 2011; c. 13, Q13.*]

There is that word again: transparent.

The witnesses in the evidence sessions were not the only ones concerned about the matter. The Information Commissioner, Christopher Graham, has warned that the Government are risking eroding the accountability of the state as services are outsourced:

“We’ve got to think through the implications, we can’t be so starry-eyed that we can’t see the downside. There is a potential for services to become less transparent and less accountable.”

Indeed, that issue featured in the debate on NHS reforms earlier this week. Last week, we learned that Gus O’Donnell, the head of the civil service, has initiated an investigation to assess the democratic impact of some of the Government’s measures, including, we understand, the Localism Bill. We also understand that Sir Bob Kerslake, the permanent secretary at the Department for Communities and Local Government, will investigate “the accountabilities issues” thrown up by the plans.

Gus O’Donnell has said the issue was “absolutely crucial” to the project’s success. The Prime Minister himself, if he is true to his words, seems to agree. He has said:

“So much of it is locked away in a vault marked sort of ‘private for the eyes of ministers and officials only’. I think this is ridiculous. It’s your money, your government, you should know what’s going on.”

The Deputy Prime Minister appears to agree. He has said:

“Free citizens must be able to hold big institutions and powerful individuals to account. And not only the Government.”

It would be unfair on Ministers and their colleagues in the Department for Communities and Local Government not to allow the Committee to hear their views on transparency. The Secretary of State has told us:

“The public have a right to know how their tax pounds are spent”.

The Minister of State, Department for Communities and Local Government, the right hon. Member for Tunbridge Wells, has said:

“When public money is being spent, people should always be able to know how much is being spent and on what.”

I totally agree. The Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst, has told us:

“It is vital that we all look at where every penny is spent and that citizens are engaged in making these decisions”.

I totally agree; that is wisdom from the Government ministerial Bench. The question is whether it will be translated into legislation. Even today, the hon. Member for Bradford East said, in a telling contribution, that he did not believe in the word “must”, other than where it referred to disclosure. He also said that such information “must” be made publicly available. Again, I agree with that wisdom from the Government Back Benches. Will that wisdom be translated into legislation?

**The Minister of State, Department for Communities and Local Government (Greg Clark):** The hon. Gentleman says that he agrees with my hon. Friend the Member for Bradford

East, so will he say that the word “must” should be used only when it comes to transparency? Is that his agreement now?

**Jack Dromey:** Maybe I have got this wrong, but I thought that an absolutely central tenet is that the Government are insisting that local authorities “must” have transparency. They must have transparency on top pay. No doubt when the Minister responds he can tell us why it is top pay—and not low pay—in the public sector alone, and why it is not top pay and low pay where contractors are employed on contracts worth more than £250,000. There is a fundamental inconsistency in the Government’s approach. I agree with the Churchillian rhetoric; the problem is that it stops well short of where it should.

1.30 pm

**Greg Clark:** I am grateful to the hon. Gentleman, but I am looking for the consistency in his approach. He praised my hon. Friend the Member for Bradford East for his Churchillian wisdom in specifying that “must” should apply only for transparency. Is that his view?

**Jack Dromey:** We have rightly been focused on the difficult balance that needs to be struck between setting local authorities free on the one hand, and, where it is legitimate, prescription on the other. We think that there should be prescription on transparency. The Government think that there should be prescription by way of 142 Henry VIII powers maintained by the Secretary of State.

**Mr David Ward (Bradford East) (LD):** I am unhappy with the accusation of being wise; it does not sit comfortably with me. The “must” that I referred to was disclosure of what the authority was doing, which would include whether it was being transparent, not the disclosure of transparency. There is a difference.

**Jack Dromey:** I was brought up a Catholic, but I am not a Jesuit. My view is simple: the Government are right to demand transparency on top pay in the public sector. We argue that they have been utterly inconsistent in not taking that further, as the amendment seeks to do. Perhaps Ministers still need convincing of the wisdom of their case. Why is there a need to focus on low pay and, indeed, contractors? In the present economic climate, as VAT increases, inflation rises and transport costs rise, things will become more expensive, particularly for those at the lower end of the scale. Britain’s lowest-paid workers are already feeling the squeeze, and will increasingly feel it.

**Fiona Bruce (Congleton) (Con):** The mischief that the clause seeks to address is the fact that there has not been restraint on the upper levels of pay in local authorities. Although many of us would agree with the hon. Gentleman that it is right that any worker is paid a fair wage, the clause does not seek to address that point.

Does the hon. Gentleman not recall, as I do from my local authority experience, that in recent years an extremely protracted process was undertaken by councils to accommodate the requirement to compare the worth of different types of work? In my council, it involved hundreds of members of staff being interviewed, employment roles being compared and wage levels set. That was a totally transparent exercise in which the authority’s employees in every area were interviewed and comparables were set. The problem was that no comparables were available for those at the very top of the organisation; therefore, it was difficult to set any kind

of bar. That is why this clause is so important, but I believe that what the hon. Gentleman seeks to address—transparency in respect of lower paid workers—has already been addressed.

**Jack Dromey:** Forgive another historical reference, but I was chairman of the local government union when the single status agreement was concluded in 1997. Another time, another discussion. Would that it had been implemented properly. But the hon. Lady is absolutely right to say that many local authorities all over Britain sought to get it right and made comparisons, not before time, to ensure equal pay for work of equal value, which is crucial. I absolutely take that point. The hon. Lady rightly refers to the “mischief”—I do not disagree with her use of the word—of unacceptable top pay in the public sector, but we also seek to address unacceptable low pay in the public sector. That, too, to use the hon. Lady’s word, is mischief.

**Fiona Bruce:** The mischief that we are seeking to address relates to transparency. It already exists, and is recorded, in respect of most of the pay levels in an authority, including the poorer-paid levels, because of the process that has already been gone through.

**Jack Dromey:** The Government are rightly telling every local authority to come clean, to be transparent and to let the people know—and to let them know, in particular, how the highest-paid are paid. The public expect transparency from this Parliament on high and low pay, and we believe that transparency on the obscene differentials between the top and bottom of the public sector will help the Government to curb unacceptable high pay. Everything, we argue, centres on the effectiveness of the Government’s proposals, and they simply do not go far enough.

**James Morris (Halesowen and Rowley Regis) (Con):** Is not another potential unintended consequence of new clause 1 that small businesses, which often complain about their inability to compete for local authority contracts due to the complexity of the procurement process, will have a disincentive to engage with local authorities due to the provisions that the new clause places on the threshold for contracts and disclosure? Small businesses, even today, have to go through a series of hoops and formal processes to get on local authority procurement lists.

**Jack Dromey:** I have spoken to small businesses about our proposal and their big concern is not the modest requirement that they should, within three months, publish the highest and lowest pay in the contract in question. They are far more concerned about the impact of cuts to local government budgets. Of the £37.2 billion for procurement, £20 billion goes to small and medium-sized enterprises, so I hope that the hon. Gentleman, in championing small businesses, as I do, will work with us to change the Government’s approach of savage, deep, quick cuts to local government expenditure.

Many low-paid people are already feeling the squeeze. A recent New Policy Institute report shows that there has been a rise in in-work poverty. More than 13 million Britons—22% of the population—now live on less than 60% of the median income, despite at least one adult in affected households bringing a wage home. Of them, 5.8 million are in deep poverty, surviving on less than 40% of the median income, which is less than £192 a week for a couple with two children under 14. These people are working, yet too many of them still face poverty. The idea that work alone is the way out of poverty is fanciful. We also need to focus on work and low pay. We all agree that excessive pay at the top of local government should be properly scrutinised, but how can that be sensibly and fairly done other than in relation to low pay at the bottom?

The Local Government Association estimates that of the 1,744,700 employees in mainstream local government jobs, 60% earn less than £18,000 a year. Moreover, according to the LGA's figures, more than 400,000 council workers earn less than the living wage, and of those, more than 250,000 earn less than £6.50 an hour. The hon. Member for Congleton will know from her own experience that they are some of the most valuable members of our communities.

A quarter of those living in in-work poverty are employed by the public sector. The outsourcing of public service delivery has all too often contributed to the depression in pay levels. The Government have themselves estimated that 1 million public service workers now work for the third sector and private providers. Those staff are concentrated—not exclusively, but predominantly—in low-wage sectors such as cleaning, portering, catering, low-skilled manual work and care work. Do we not want the cleaners, care workers and teaching assistants of this country, whoever they work for, to earn a living wage? We Opposition Members feel strongly about that.

I must say that the decision of the Minister for the Cabinet Office to scrap the two-tier code for central Government, which regulates the employment benefits of new staff recruited to work alongside former public sector workers in outsourced services, suggests that the Government think otherwise. The two-tier code was essential in stopping companies that are bidding for public sector contracts from competing on how low they can pay their staff in future. Having worked with contractors in local government over many years, I must say that there are many reputable companies that fear the consequences of being undercut by rogue competition.

**Mr Raynsford:** My hon. Friend will recall the detailed discussions on the two-tier work force and the points forcibly made by several of the most reputable private sector employers that are interested in outsourcing. They wanted to ensure that they competed on quality and in how they delivered services; they did not want a race to the bottom. They feared that if there was no code in place to protect wages, there would be precisely that, as less responsible companies sought to gain a commercial advantage by going for low pay.

**Jack Dromey:** My right hon. Friend—a former Minister—is absolutely right. I vividly remember some of the contributions made, including those by an admirable man who was the chairman of the CBI local government panel. He argued strongly that Transfer of Undertakings (Protection of Employment) Regulations 1981 and 2006 did not go far enough, because they protected employees at the time of transfer, and he said that it was necessary to ensure that companies did not win bids by, for example, undercutting on pensions for new starters. He also said that if companies such as his did not have that protection, they would inevitably lose out to the rogues. That is why those measures were put in place, and it is deeply regrettable that the Government are proceeding down the path of unfairness to future public servants on the one hand and unfair competition on the other. The code has been scrapped for central Government, but not yet for local government. I suspect that that is because it will take a change in the best value regime, and we hope that the Government will not proceed down that path.

To conclude, a decent wage is of value not only to employees, but to the users of services. I remember standing on a platform with the chief executive of British Aerospace, and we both said the same thing, which was that how workers are treated is crucial to the quality of the services that they provide or the product that they produce, and that the difference between the average and the world-class lies in the extent to which the endless potential and creativity of employees is untapped. His point, with which I agree, is that pay is an indicator, although not the only one, of how staff are valued, and it has a profound effect on the loyalty and trust that

they feel towards their organisation. It is therefore only right that we set out clear principles of fair pay.

I agree with the hon. Member for Congleton about the importance of equal pay. Councils and their contractors—all employers, in fact—should voluntarily seek to employ people on a decent or living wage. The group of amendments would shine a light on low pay and where taxpayers' money goes. We need fairness at the top and the bottom, and in the public and private sectors. Those must be the objectives behind the drive for accountability and transparency.

1.45 pm

**Mr Ward:** One purpose of the Localism Bill is to re-energise local government. A common refrain heard in local government when one knocks on doors is, “Why should we vote for you when you’re all the same?” Although we try to argue that that is not the case, unfortunately it is increasingly true. It is becoming more and more difficult to be different in local government.

One concern I had about the inclusion of more and more “musts” is that each one reduces the ability of a local authority to be different. At election time, it would be good if we could knock on a door and say, “If I am elected and my party takes over the leadership of the council, we will introduce a low-pay policy,” or—looking at amendments 57 and 58—“We will promote democracy and introduce a right to petition.” We could put that in our leaflets, as opposed to being the party that will not do such things. There would be a difference; there would be a choice.

The hon. Member for Birmingham, Erdington, made a point about the entitlement to transparency. I think I am entitled to good service if I go into a shop, and if I do not receive it, I will make a choice. I will make a decision on whether I continue to shop there. If I am faced with two political parties, one that offers me transparency in the form of a low-pay policy and one that does not, I will make a choice. That is how it should be. In effect, if someone agrees with what the council is being asked to do, the “musts” remove the possibility of there being bad councils. However, it is the right of electors to elect bad councils if that is what they want.

On disclosure, I have consistently held the position—to reiterate an earlier point—that the “must” should not be about whether there is transparency, but about whether the existence of transparency is disclosed and whether a particular authority intends to introduce it. I find it difficult to think through the benefits to local electors of private sector transparency. If there were two contracts, and one could be offered either to a co-operative, or to a company with a millionaire boss and 20 employees on the minimum wage, what would we do with that knowledge? Will it make us accept a contract from a co-operative that is more costly to the local electors? It might seem fine for us to know more about the pay scales within a private sector company, but what will we do with that information? Will we accept, to the detriment of local electors, a contract that is more socially acceptable but more costly?

**Heidi Alexander** (Lewisham East) (Lab): I am not completely familiar with the way in which Public Bill Committees work, but I am very keen to speak on this issue because I care about it deeply.

I support the amendment. Like my hon. Friend the Member for Birmingham, Erdington, I fully support the annual publication of senior pay policy to show what that the people at the top of

an organisation are earning. Equally, it is completely right that the Opposition have tabled an amendment to say that such scrutiny should apply from top to bottom.

I would like to say a few words about the backdrop to the clause 21. Time and time again, Ministers have talked about the fat cats at town halls. They argue that if their salaries are reduced, the problem of the deficit will magically be tackled. From my local authority experience, I can say that that is not the case. I spent six years representing a ward in Lewisham and I was Lewisham's deputy major for four years. The authority employs some 4,000 staff and has a wage bill of about £270 million. The wage bill of the chief executive and the executive director's team comes to about £1 million. I recognise that that is a lot of money, but those people do some of the most important jobs in this country, which is a point that has so far been lacking from the debate.

Let us consider the responsibilities of an executive director for community services. That individual is responsible for making sure that our leisure centres are safe and for ensuring that the social care packages provided to elderly and vulnerable citizens are made up of the right sort of support. An annual statement setting out that individual's job title and pay does nothing to elucidate the nature of their job, their responsibilities and their accountability to the local population.

**Alun Cairns** (Vale of Glamorgan) (Con): Does the hon. Lady agree that many of these executives should earn more than the Prime Minister?

**Heidi Alexander:** I would turn that question on its head and ask whether the Prime Minister earns enough. There are thousands of lawyers, accountants and management consultants in London who earn more than the Prime Minister within five or six years of graduation. The Prime Minister does a very difficult job, as do people in local authorities. I respect the work that they do and they should receive proper remuneration. Before coming this afternoon's sitting, I read about a case a number of years ago involving a council employee in Barrow-in-Furness. He went to court on corporate manslaughter charges in connection with an outbreak of legionnaires disease at a leisure centre. A person in such a job has a huge responsibility, which I believe should be reflected in their pay.

There is a danger in this debate that we forget about the really important job that senior people in local authorities do. Although this analogy does not work perfectly, I cannot help but think that this is somewhat like asking how to reduce the wage bill at Manchester United. The Government would say, "Get rid of Alex Ferguson," but we all know that the real cost is in the team—the people out there doing stuff. I know that our street sweepers and care workers are not paid what Wayne Rooney and Ryan Giggs are paid, but I would love them to be, to be honest, because they are the real heroes of this country, and we should do all that we can to encourage people to work in local authorities. Another of my concerns about the whole nature of this debate is that by insisting on senior salary policies, we might generate the idea that we are interested only in how much people earn, as opposed to the value that they offer society.

I read in the House of Commons briefing paper on the Bill that the Chartered Institute of Personnel and Development says:

"If pay transparency is going to allow taxpayers and their representatives to hold public sector employers to account, then simply publishing job titles, salary levels and establishing arbitrary pay multiples is not going to be enough; they also need to know whether the pay of these

employees reflects their contribution to the organisation. Otherwise the focus will be on the ‘how much’ rather than ‘the what’.”

I completely concur with everything that the CIPD says.

Finally—if I may ask the Committee to indulge me further—I ask hon. Members to consider the implications of such a conversation about local authority pay for the recruitment and retention of the brightest and best. After working in a local authority for a long time, I know that the number of people under the age of 30 working in local authorities can, in some parts of a council, be counted on two hands. According to work force data, only 6% of people who work in local authorities are aged 24 and under.

When the milk round goes around the top universities, I think that we want people to be saying, “I aspire to be the chief executive of a local authority because I can make a huge difference to people’s lives.” People go into public service for many different reasons; it is not only about the pay. Certainly, as a London MP, I can look at comparable jobs with equal responsibility in the private sector. I suggest caution and restraint in this discussion and that we think about what these jobs really involve.

**Nic Dakin** (Scunthorpe) (Lab): I thank my hon. Friend for raising the debate to a better level, in a sense, by building on the case made by my hon. Friend the Member for Birmingham, Erdington. People working in local government are carrying out significant jobs and they deserve our praise and support, and to be valued.

This debate is very much about values, and I live in hope—I am a hopeful and optimistic person—that the Government will take on board the amendments, which propose a sensible way forward and show the sort of leadership for which the country is asking. This is an opportunity for leadership, as well as an opportunity to recognise the great work that people do in local government and the great challenge for our age of closing the inequality gap. Everybody knows—there is agreement across the House—that closing that gap will save us money in the longer term, as is shown by lots of evidence and research. When we publish details of top pay, we should also publish details of the lowest pay because that would shine a light on the issue of equality and inequality and ensure that it is part of what is being driven forward for the leadership of our country.

I do not feel that the Government will object to the improvements set out in the amendments. The proposal improves on the statements that the Government have set out in the Bill. Transparency about the top pay and the lowest pay in an organisation will show the right sort of leadership for those who are contracted to carry out significant public sector work. The country is asking for such leadership, so it is the sort of leadership that we should show, because it will demonstrate our values.

I value the honest debate that we have had so far, and I am optimistic that the Government will see an opportunity for leadership by taking this proposal for fairness forward. It would help us to show the public that we are serious about closing the inequality gap and about people earning a living wage. As the evidence tells us, the proposals will benefit not only those people, but everybody else.

**Julie Elliott** (Sunderland Central) (Lab): I agree with my hon. Friends, and I want to talk about the impact that not having transparency for contractors with the public sector can have on service provision.

Before I became a Member, I spent 11 years as a trade union official representing many tens of thousands of members in the public sector—local government and the health service—as well as in private companies. I saw the direct effect that a lack of transparency had on the level of service. I can give an example of cleaners in the health service. Owing to rising costs, a contractor was seriously struggling to keep within the bid that they had put in for the contract, so it kept reducing the pay for hospital cleaners. As a result, the hospital could not keep its cleaners, because they were being paid something like 90p an hour and as soon as they could get a better-paid job, they left. The time spent training those people—which is six weeks in the NHS for cleaning such important places as theatres—and the investment in providing the facilities and equipment for them to do the job was completely lost, and such work had to continue on a rolling cycle. Subsequent legislation stopped the practice

There is a danger of having a lack of transparency in private companies. Transparency should go from top to bottom. If companies are good, it does not matter whether they are in the private or public sector. If they are providing a service to the public that is funded by public money, which is in effect what such contractors are doing, the transparency should be there for all to see. Driving down contract costs at the expense of people's wages, and their terms and conditions, creates the inherent danger of problems with service provision. That is why having top-to-bottom transparency protects the public and the services they receive, whether directly from public bodies such as local authorities or the NHS, or from contractors paid from the public purse. We need to look carefully across the piece to ensure that the provisions we are considering are fair, transparent and equal. If we do so, we will end up with good legislation, but if we do not, we will just give ourselves problems for the future.

2 pm

**Ian Mearns** (Gateshead) (Lab): I want to participate in the debate because we need to sound the clarion for the people whom we, as citizens, all employ in our local authority services. Such people go to work every day and are give of themselves unbelievably selflessly as they provide public services throughout the country. If we ask an ordinary citizen, "What does the council do for you?" their stock answer will be, "They empty the bins," but is so much more than that. Although we are in a time of cuts across a range of public services, we should never miss an opportunity to celebrate the people who provide those public services that are so vital to our everyday lives, and quite often to the lives of the most disadvantaged in our society.

Each day, hundreds of thousands—if not millions—of people throughout the country look after our children, care for our elderly and disabled, keep our streets clean, collect litter, provide library services, care for our citizens in their homes, tend our parks and gardens, ensure our swimming pools and leisure centres are clean, safe and well-managed, and, of course, remove our everyday waste. They even bury our dead. At the top end, they also provide strategy, leadership, and advice and guidance to elected members, and they are capable of managing big departments in local authorities to make sure that the services from which we all want our citizens to benefit are provided. It is important that we celebrate those people, but it is also important to ensure that there is transparency for all people who work in local government—both contractors and in house—so that everyone can see exactly who is benefitting, and in what way and from whom, from the services with which we want our citizens to

**The Parliamentary Under-Secretary of State for Communities and Local Government**

**(Robert Neill):** It is a pleasure to see you back in the Chair, Mr Amess. May I say at once that I understand and sympathise with many of the important points that have been raised in this debate, which has perhaps ranged a little more widely than the terms of the clauses and the amendments themselves? I will endeavour to concentrate on those amendments and clauses, but I appreciate the significance of ensuring that there is fair pay for people in our public services. The Government are firmly committed to that.

I shall deal with the amendments and how they relate to the clauses. I am glad that the Opposition Front Benchers welcome the clauses as they are drafted. I think everyone would support that, with the possible exception of the hon. Member for Lewisham East who seemed to have some doubt about the matter.

**Heidi Alexander:** I assure the Minister that I am not having doubts about the clauses. I simply want the conversation to be constructed in a mature fashion and for there to be recognition that those at the top of local authorities do an important and responsible job. I do not want the conversation to reflect badly on those individuals.

**Robert Neill:** I do not think one word said by anybody in the Committee suggests that. The important point to remember is that to require transparency in the pay of senior staff is, by no means, to diminish the value of those who work there. Those two points are not in the slightest contradictory. Indeed, the important role played by senior staff means that it is right there should be transparency in the salary levels of those in leadership roles.

I say to my hon. Friend the Member for Bradford East that I appreciate his concern about the “musts.” Of course, what we are doing in the clauses is not to prescribe what a council’s policy or levels of remuneration should be; we are simply prescribing that there should be a policy. What it is, how it is phrased and what arguments are made are entirely matters for the relevant council. If, for example, the council wishes to set out in its policy the reasons why it thinks appropriate remuneration should be paid and the nature of the job, that can be incorporated in the policy. To that extent, the “must” relates to the having of the policy, not the way in which it is drawn up. I hope that the Committee will support those elements of the amendments.

It is also worth considering the approach suggested by the hon. Member for Birmingham, Erdington to lower pay. Given that we have accepted the importance of transparency on senior pay and the fact that the full council must vote on the policy—this brings us back to the point made by my hon. Friend the Member for Bradford East—every elected member has the opportunity to vote and be held to account by their electors for the policy they adopt. That seems to be consistent with localism and transparency.

On the question of lower pay, although I am sympathetic to attempts to shine light and gain transparency on the issue, I ask the hon. Member for Birmingham, Erdington to hesitate and consider whether the amendments as proposed would achieve that objective in the best possible way. I do not say that we should not continue to explore these issues, but the important points made by a number of my hon. Friends in interventions should not be ignored. Much has already been done to improve transparency. Of course, the changes that my hon. Friend the Member for Congleton referred to have already had a valuable impact and it is also worth remembering that the Government have set up a review under Will Hutton to specifically look at these pay levels. It might be premature for us to be legislating to opt for a particular means of dealing with the issue in advance of that commission’s report.

**Jack Dromey:** When the Minister says that he has sympathy for the motives behind what we are proposing, I know that he means it, given that he comes from a Macmillanite tradition of Conservatives in local government. If what he is suggesting is that the Government are sympathetic to the principle, considering that Will Hutton is due to report in a matter of weeks, is the Minister prepared to consider what we have proposed and introduce his own amendments to ensure transparency for low pay as well as high pay?

**Robert Neill:** I am grateful to the hon. Gentleman for what I take as genuinely a very great compliment. I appreciate that. I cannot say what we will do in advance of Hutton reporting, but we will certainly undertake to reflect upon Hutton in the context of the Bill. I hope that that is a sensible point to make. We want to be constructive about the matter.

At the moment our concern with the code is that any system we adopt to encourage transparency at all pay levels should be proportionate, because there is a potential burden on local authorities. It can be dealt with, but it is important to keep it proportionate. In particular, in advance of the Hutton commission's report, it might be premature at this stage to be legislating specifically on multiples, which is the purpose of amendment 48. The hon. Gentleman knows that the Prime Minister and the Chancellor of the Exchequer specifically asked that the Hutton commission makes recommendations on how to ensure that no public sector manager can earn more than 20 times the lowest paid person in the organisation. That is why we should wait to see what the public say on that point before committing ourselves.

It is also worth bearing in mind that clause 23 provides for the issuing of guidance. We intend to ensure that, whatever happens, that guidance reflects the fact that councils may extend their policies not just to senior pay, but to pay levels further down the organisation. I hope that is a constructive response to the hon. Gentleman's amendment, and I would ask him to consider withdrawing it on that basis. We will revisit the issue.

The difficulty with new clause 1 is the extent to which one can impose that requirement on contractors. My hon. Friend the Member for Bradford East made the point that there are balancing considerations between the required value of the contract and the other issues related to it. We require that spends of more than £500 be published online, which is the bottom line in which most members of the public will be interested. I accept that there are other considerations, but I do not think one could put councils in exactly the same position as, say, a shopper in a supermarket who wants to be sure of buying fair trade food, or something of that kind, because the shopper has the opportunity to take their custom elsewhere, to buy a different product or to shop at a different store. That is not comparable with the case we are discussing.

The bodies that contract with local government to provide services are separate legal entities and their staff are subject to their own pay arrangements. The local authority is not their employer and they may be contracting with a range of authorities. They might have contracts that extend beyond the public sector, too.

**Julie Elliott:** But it is perfectly legal, when one puts a contract out to tender, to ask for rates of pay to be included in the information provided in that tendering process. It is not difficult to do, and it is often done by many parts of the public sector already. It is not a difficult thing to include; it is quite straightforward. It is not onerous for the companies that are putting in tenders.

**Robert Neill:** It is rather different when Government are doing it. Commercial considerations and commercial confidentiality sometimes arise where there is such provision. It is not necessary to go further than that at this stage. If the local authority wishes to contract on that basis, it is a matter for them; it should not be a matter of Government prescribing how a local authority draws up the terms of its contracts.

**Brandon Lewis:** Is there potential for conflict if central Government pass such legislation, because it potentially contradicts the Companies Act. Legislation is different from the contracts that local authorities enter through the tender process.

**Robert Neill:** My hon. Friend makes a fair point, because there are differences. There are safeguards under the Companies Act and, for the reasons I have set out, it would be premature to seek to extend these provisions to contractors in the way that has been proposed.

The Hutton commission is about to report, and we are more than happy to revisit the whole issue in the context of that report, which I hope will not be too long.

**Jack Dromey:** For clarity, in saying that they are more than happy to address the whole issue, are the Government prepared to look at our combined proposals for public sector pay and the pay of contractors and table amendments on Report? If that were to be the case, it would truly be a constructive response.

**Robert Neill:** As the hon. Gentleman knows, the Hutton report is on the general concept of pay. That is what we are prepared to look at. I am not trying to be obstructive, but we need to reflect on whether it is appropriate in relation to contractors.

There are other considerations, but we would certainly be prepared to look at the situation in relation to the Hutton commission's report.

2.15 pm

**Nic Dakin:** May I press the Minister on the matter? I think that he is saying that it is perfectly acceptable for an individual local authority to ask for that information, but he is not happy for the Bill to state that all local authorities must ask for it. There is no impediment to a local authority asking for the information, but he believes that that is not the right thing to do.

**Robert Neill:** That is a pretty fair analysis. It is appropriate to prescribe that there will be a policy, but we do not seek to dictate the detail of it. Similarly, we do not think it is appropriate to prescribe to local authorities how they enter into such contacts. If they choose to do so, that is between them and the people with whom they contract.

**Barbara Keeley:** I am grateful for the Minister's comments about revisiting this in the light of the Hutton report, but I wonder about the time scales. The community empowerment part of the Bill, which we will debate next week, puts local authorities in the position of receiving bids from all kinds of different bodies. We have already touched on the fact that certain councils want to outsource everything. If we are going to keep an eye on this and revisit it, we need to remember that the landscape is changing fast. Some public services will no longer be run by public bodies, which is a real cause for concern.

**Robert Neill:** With respect to the hon. Lady, Hutton is about public sector pay, not about the contracting arrangements. We must be cautious not to extend it too far, but we are prepared to revisit the principle that Hutton is likely to enunciate in the context of the Hutton commission's report. Against that background, I hope that the hon. Member for Birmingham, Erdington will withdraw the amendment.

**Jack Dromey** *rose—*

**The Chair:** Order. Before the hon. Gentleman responds, I advise the Committee that because the debate has been wide-ranging there will be no clause stand part debate. If hon. Members want to get things off their chest, they must do so now. When the hon. Gentleman responds to the Minister, will he indicate whether he wants to move any of these amendments, which are scattered all over the place, formally at a later date?

**Jack Dromey:** Thank you, Mr Amess.

May I make a comment about the debate? My hon. Friends the Members for Lewisham East and for Scunthorpe are to be congratulated on introducing balance to the debate. We have sought, rightly, to ask about low pay and top pay, but a remorseless negative commentary tends to come from the Government about those at the top end of the public sector. We must distinguish between two things. On the one hand, it is unacceptable for megabucks to be paid, as has been the case in some local authorities. On the other hand, it is not right to brand everyone who earns above a certain sum of money, irrespective of how valuable they are to the local authority and irrespective of the immense commercial skills that they may have acquired elsewhere in the public and private sectors. I know that some good, long-serving local government officers have frequently felt insulted by the tone of the debate.

It was also right for my hon. Friend the Member for Gateshead to celebrate who local government employees are and what they do, and I will provide one of many examples of such people. I remember running into a wonderful home help outside Sainsbury's in Castle Vale in my constituency. She had been in the shop on a Saturday just before Easter, buying Easter eggs for the half a dozen people whom she was due to visit the following week. I asked her why she was doing it, and she said, "They're wonderful. I look after them in their homes, and most of them are never visited by anyone else. No one will give them an Easter egg." I asked who was paying for it and she said, "I am, of course." That is the kind of person whom we have working in local government.

Following the Minister's constructive response, we will withdraw amendment 45 on the assurance that we will return to the matter on Report, in the light of the Hutton report. At this stage, we will not move new clause 1, which specifically focuses on the same principles of transparency being applied to the private sector. That is the right way to proceed because we hope that the constructive tone the debate has set can be followed through in dialogue between the Front-Bench teams. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Clause 21 ordered to stand part of the Bill.*

*Clause 22 ordered to stand part of the Bill.*

## Clause 23

### Guidance

*Question proposed,* That the clause stand part of the Bill.

**Mr Raynsford:** I rise only to highlight the use of “must”. I know that the hon. Member for Bradford East has very strong views on this, and I am sure that he will be as uncomfortable as I am in seeing “must” relate to a requirement that a function of local government “must” follow the guidance issued by the Secretary of State. I hope to hear the hon. Gentleman’s views on that. I have nothing more to add.

**Fiona Bruce** *rose—*

**Mr Raynsford:** I am sure the hon. Lady will be able to catch your eye if she wishes to raise another matter, Mr Amess.

**Fiona Bruce:** The clause actually says, “have regard to”. I do not think that means “must” follow, but simply “have regard to”.

**Andrew Stunell:** I apologise on behalf of the Under-Secretary of State, my hon. Friend the Member for Bromley and Chislehurst, who had to go to another meeting. He asked me to follow through on this.

The intention is for the Secretary of State to publish guidance on the practical operation of the measures. The Bill, as it stands, does not include the level of remuneration that should be brought to the attention of a full council. With inflation and other matters that might come to bear, over the years what the appropriate figure should be could change. The clause simply gives the Secretary of State the capacity to set parameters for the proposals that a council needs to take into account. I do not think Henry VIII’s sleep would be particularly disturbed by the power. It has a practical application and is designed to ensure that the intention of the clauses can be realised.

*Question put and agreed to.*

*Clause 23 accordingly ordered to stand part of the Bill .*

## Clause 24

### Determinations relating to remuneration etc

*Question proposed,* That the clause stand part of the Bill.

**Mr Raynsford:** I apologise to the Committee for taking up its time but “must”, again, appears. The hon. Member for Congleton raised an issue on clause 23; I draw to her attention that the provision in subsection (2) is:

“The relevant authority must comply”

That sounds pretty directional and centralist. I would be astonished if Government Members take it lying down and do not express some unhappiness about the degree of diktat from the centre.

**Andrew Stunell:** There are a couple of theses to be written on “must” and “may” as a result of today’s debates.

It is important that policies on remuneration, which the authority agrees, have a real effect and are binding on the authority. We do not want to over-burden the full council and meeting of members by requiring a complete sign-off on everything. Clause 24 allows the appropriate body in the authority to continue to make the determinations.

**Nic Dakin:** I note that the Minister says that in this case we cannot trust local authorities to do it, whereas in all the previous cases the argument has been, “Let’s leave well alone and let local authorities do it because we can trust them as they will always make the right decision.” There seems to be slight inconsistency there. I actually agree with what he said.

**Andrew Stunell:** Subsection (2) says that the authority must comply with its own senior pay policy. It does not set out any particular policy because, as we have discussed, that would be for the authority to decide. There is a system that requires transparency about what the policy is, and there is a requirement that the policy be applied. That is where the “must” comes in. It would be futile to have a wonderful policy that was never or only occasionally operated by the authority. I hope that is some consolation to the hon. Gentleman.

**Mr Raynsford:** The Minister has given as good a defence as he possibly can in the circumstances. Can I put to him another genuine concern? There are circumstances where, because unforeseen requirements emerge, an authority decides that it needs to make a new appointment and it is impossible to fill that post without offering a pay level for that type of activity that is out of line with its existing pay policy. There appears to be no flexibility in the way that the clause is written for an authority to make exceptions in exceptional circumstances. I do not argue that it should be free to disregard its own policy; that is not right at all. But it is always unfortunate if policies are written so rigidly that there is no scope for variation when there is good reason for it, even though there could be caveats about additional safeguards that would need to be deployed in such circumstances. The measure appears to be extraordinarily rigid.

I can envisage such circumstances arising in the area of east London that I represent. The Olympics next year will put certain obligations and responsibilities on local authorities that may require additional appointments, and I can envisage the situation that I described happening in those very exceptional circumstances. I wonder why a degree of flexibility is not built into the provision. The Minister may well tell me that the guidance that the Secretary of State will issue—clearly, whatever he says, the Government do not entirely trust local authorities—will cover the question of flexibility.

**Andrew Stunell:** I thank the right hon. Gentleman for speaking long enough for me to know the answer to this question. May I refer him to clause 22(4)? It states:

“A relevant authority may by resolution amend its senior pay policy statement (including after the beginning of the financial year to which it relates).”

In other words, should such a circumstance arise, there is flexibility in the primary legislation for the authority to amend its policy, perhaps in relation to a specific post or more generally, so that it can make sure that an appointment complies with the policy, even if the policy has a little bulge on one side to accommodate the situation.

I want to come back to the flexibility point. The Secretary of State's powers, which we discussed a minute or two ago, are designed to give flexibility at the national level if there were rapidly changing circumstances that meant that, from year to year, salary levels were fundamentally out of line. Subsection (4) allows a local authority to adjust according to its local circumstances. With those assurances, I hope that hon. Members will be content to agree to the clause.

*Question put and agreed to.*

*Clause 24 accordingly ordered to stand part of the Bill.*

*Clause s 25 and 26 ordered to stand part of the Bill.*

## **Clause 27**

### **Repeal of duties relating to promotion of democracy**

*Question proposed, That the clause stand part of the Bill.*

2.30 pm

**Jack Dromey:** I want to put on record our concern about, and our opposition to, this surprising provision. Clause 27 removes the measures introduced in the Local Democracy, Economic Development and Construction Act 2009, which placed a duty on local authorities to promote democracy. The removal of that duty is deeply worrying for several reasons. That duty and the duty on petitions, which will be discussed in the clause 28 debate, were introduced by a Labour Government in 2009 to strengthen local democracy. The 2009 Act did that by giving councils new duties actively to promote democratic engagement and civic participation. It also gave local people stronger rights and more opportunities to have their say through increased and enhanced scrutiny and, for the first time, through legal rights to receive a response to their petitions. The decision to repeal the duty to promote democracy raises several concerns about the Government's attitude towards democratic engagement. It also, however, gives rise to several important questions that I hope the Ministers will be able to answer.

The general issue of consultation is important, and we will return to it time and again. The Committee stage is the first time that the Bill has received any form of scrutiny. In sharp contrast to that, the decision to place a duty on local authorities to promote democracy, which was enshrined in the 2009 Act, came about as a result of considerable consultation and scrutiny. In 2007, the Councillors Commission was established by the then Secretary of State for Communities and Local Government, Ruth Kelly, to investigate the barriers preventing able and representative people from becoming councillors and how best to secure public interest and recognition for the work of councillors. The first recommendation of that all-party commission was that local authorities should be charged with a duty to facilitate local democratic engagement. It said:

“People are unlikely to feel a sense of engagement with something they do not understand. The starting point for facilitating democratic engagement locally is through communication. Local authorities need to become expert at explaining what they do, which services are the responsibilities of other agencies, and how do they relate to one another. Who is accountable to whom and for what? How can people have influence? How can they get involved, individually or collectively? How do they get things changed?”

The 2008 community empowerment White Paper, “Communities in control: real people, real power”, discussed the causes of political disengagement, concluding that the dominant factor was a sense of powerlessness on the part of citizens about the fact that their voices were not being heard. The White Paper pledged:

“As a first step to recognising the principle that political activity is valuable,”

the Labour Government

“will place a duty to promote democracy on local authorities.”

It added:

“This means that local authorities should no longer be seen as just units of local administration, but as vibrant hubs of local democracy, with a statutory duty to promote democratic understanding and participation. We will empower local councils to present themselves as democratic centres, with a new culture which sees democratic politics as respected, recognised and valued.”

**Henry Smith** (Crawley) (Con): It is telling that in the previous legislation councils were asked to represent themselves as being democratic. Those comments have a certain irony, because the Bill will make councils and local authorities truly democratic and will mean local government, rather than local administration, which is what we have largely had up till now. The passage of the Bill, rather than some words in some piece of legislation, will be the greatest promotion of democracy.

**Jack Dromey:** The White Paper actually states that councils should

“present themselves as democratic centres”.

It insisted on a new culture that turns outwards by engaging with, listening to and taking on board any concerns. Although we agree that there is an intelligent debate to be had on the Bill and on new forms of democratic engagement, we are profoundly worried by the constant downgrading of democracy, including elected representative democracy, inherent in the Bill.

The all-party commission recommended that local authorities have an explicit duty to facilitate local democratic engagement. It would rightly have been for individual local authorities to determine how they did that, but a number of broad lines of approach were suggested. They included

“proactively disseminating clear and accessible information on how local governance works and what councils and councillors do”

and

“how local agencies relate to one another”.

An example of that is listed as

“facilitating more active civic participation”

and

“promoting the role of councillor, how to become a councillor”.

Those are all noble objectives. So it was clear then that there was a need to ensure that people properly understood the function of councils and other public bodies, but it is not clear why the Government think that there is not such a need now. We would argue that there is a greater need than ever to promote understanding of the functions of local government.

Dare I say that Ministers perhaps believe that once the duty to promote democracy is removed, there will be less understanding of how councils work, and people will therefore not realise that the cuts that they face to their citizens advice bureaux, libraries, swimming pools, social care and youth centres, to name but a few examples, are the result of decisions taken in Whitehall rather than in town halls, as Ministers would have them believe?

The 2009 Act did not prescribe how the duty would work in practice. That was for the local authorities to implement as they saw fit, but the principle of promoting democracy is surely something on which everyone in this House would agree. There was a statesmanlike exchange at Prime Minister’s Question Time between the Prime Minister and the Leader of the Opposition on the need for President Mubarak to hear the call for democracy in his country. It is utterly inconsistent for the Government to remove the duty to promote democracy in our country. Do Ministers not agree that removing the duty to promote democracy is an odd way of restoring that faith?

The Deputy Prime Minister has said that the Government’s programme “turns a page” on

“widespread disengagement amongst people who feel locked out of the decisions that affect their everyday lives.”

How does the removal of duties that were designed to encourage understanding of, and participation in, local government help to increase engagement?

**Fiona Bruce:** Every member of the Committee would accept that increasing participation in democracy is right. Those were general, well-intended words, but we need specific actions that people can take part in, engage in and connect with. That is why this Bill is different from the 2009 Act.

**Jack Dromey:** Parliament needs, on the one hand, to discuss new ways of empowering the citizen—as we are doing in the context of the Bill—and, on the other hand, unashamedly to expect councils to engage with their communities. The duty to promote democracy told councils that democracy, engagement and listening to the people they represent matters, and it told them that we expected them to do that. There is no contradiction whatever.

The measures that the Government seek to repeal also place a duty on principal local authorities to promote understanding among local people of local bodies that relate to the authority's area. Those include health bodies, police bodies and court boards. Given the Government's rhetoric on community involvement, the promotion of an understanding of who does what—it can be a complex jumble—would seem a thoroughly noble objective.

Parish councils are included in the list of bodies under the duty. In my experience, parish councils at their best—many are absolutely admirable—make an enormous contribution to their communities. In later parts of the Bill that deal with planning, which I am sure will be the subject of lively debate, new responsibilities will be placed on parish councils. Under the Government's proposals to introduce a neighbourhood planning regime, parish councils will be able to prepare neighbourhood plans and neighbourhood development orders. It seems intellectually incoherent to place new responsibilities on such bodies—important responsibilities that will have an effect on the areas that they cover for generations—only to remove the duty to promote understanding of such bodies in the same Bill.

What assessment has been made of current participation in parish councils? How many uncontested elections to parish councils have taken place in the past five years? What percentage of elections to parish councils have been uncontested during the past few years? Has the Department for Communities and Local Government carried out any research on participation in parish councils? If, as we all believe, the role of parish councils matters, what will the Government do to encourage participation in, and understanding of, parish councils in the absence of the duty that is to be removed by the Bill?

We support greater community involvement in the planning and development of local areas. We recognise that parish councils will play an important role, but we must ensure that such bodies are as open and transparent as possible. We must also ensure that as many people as possible understand the important role that they can play through their parish councils in having a greater say in the lives of their communities.

**Mr Raynsford:** My hon. Friend makes a powerful point. He has touched on the question of neighbourhood planning, and he has made some wise observations about parish councils. May I draw his attention to the proposal, which we will debate in due course, for neighbourhood forums? Are the Government repealing the duty to promote democracy because they are embarrassed by the realisation that they propose to allow the establishment of neighbourhood forums consisting of only three members, who do not have to be democratically elected by the forum? Is the real secret behind the repeal that the Government are embarrassed not to be promoting democracy?

**Jack Dromey:** One can conceive of admirable initiatives being taken by neighbourhood forums. The capacity, however, for three men—or women—and a dog to decide, in the Dog and Duck, to become a neighbourhood forum, and to demand special status as a consequence, is bizarre. We will return to the matter in some detail in subsequent debates. We do not want a reduction in democratic participation, so Government and local government need to act to ensure: that citizens know about the decisions and responsibilities of their councils and councillors; that they are clear about the different responsibilities and how they can influence them; that they understand how the different agencies relate to one another; and that they are encouraged to get involved. I hope, therefore that Ministers have a change of heart and continue to support the duty to promote democracy.

2.45 pm

**Greg Clark:** I must start by congratulating the hon. Gentleman because I do not know how he managed to keep a straight face during that speech. We heard a reference to downgrading democracy from a representative of the party that did a great deal over the past 13 years to take power out of the hands of local people and centralise it. He also performed a U-turn of breathtaking proportions, considering his lionisation earlier in the sitting of my hon. Friend the Member for Bradford East—he is known to you as “Mr Bradford”, Mr Amess, but to us he is the sage of Bradford. Earlier, the hon. Member for Birmingham, Erdington accepted the principle that the “musts” should apply only when transparency takes place, but when we reach the very next measure in the Bill that deals with a duty—a burden—that he would like to place on authorities, he immediately sets that principle aside.

The hon. Gentleman’s deadpan demeanour particularly astonished me, however, because repealing the duty will have no consequence whatsoever for the simple reason that the previous Government thought better of implementing it. They recanted their centralism because, in the months before the election, they decided not to introduce it in the first place. The duty is no longer there—it is non-extant. This makes no change to any local authority in the country.

**Nic Dakin:** If the duty is not in place, why are we taking it away? If it is there, what is the reason for taking it away, as it appears to be benign from the Minister’s point of view?

**Greg Clark:** The elegance of the hon. Gentleman’s question highlights the nullity of the approach of Opposition Front Benchers, who are seeking to debate something that is not there. We have had philosophical discussions all day, but this is reaching new heights.

Stand by for another revelation: the previous Government and the previous Secretary of State—the right hon. Member for Southampton, Itchen (Mr Denham), I think—decided to think again and not bring the duty into effect because of

“the likely costs involved in implementing it effectively.”—[*Official Report*, 6 April 2010; Vol. 508, c. 1214W.]

That is the first known position on record of the previous Labour Government deciding not to do something because of excessive costs to local government. That stands in monument to the previous Government as the sole economy measure that they sought to preserve before the former Chief Secretary left his note saying that there was no money left. They saved a bit of money by realising that the provision was daft, but the amount saved was not daft. The impact assessment in the December 2008 White Paper in which the idea was first canvassed estimated that it would cost local government £32 million a year to maintain the duty. The best estimate was that it would require each council to hire two additional employees merely to discharge this duty from the centre. Leaving aside any publicity budget that might have arisen, anyone in local government would recognise that that £32 million could be better spent on services and other areas at councils’ discretion.

The fundamental point is that no one—least of all any Member of Parliament—is opposed to the promotion of democracy. The essential factor, which has been so well enunciated by my hon. Friend the Member for Bradford East, is that just because something is a good thing, one does not need to insist that it happens and compel it from the centre. People of goodwill, and

especially those involved in democratic politics, can be trusted to discharge the obligation themselves.

I am lost in admiration for the voluntary promotion of democracy by Opposition Front Benchers. For example, I regularly visit the website of the hon. Member for Worsley and Eccles South, pages of which are devoted to setting out how constituents can get in touch with her, have a tour of Parliament, or get tickets to the Gallery to watch debates. Quite rightly—and at great length—she encourages her constituents of all ages to come to see the House in operation. Although it might have escaped me, I do not believe that there we have a duty under our employment contracts, in so far as we have them, to promote democracy in that way, yet of us do it. All of us take constituency groups around Westminster and we all speak to young people and voluntary groups in our constituencies. We do it because we know it is right and we do it with enthusiasm.

It would not be right for Front Benchers to suggest that the Independent Parliamentary Standards Authority should take on the new requirement of testing whether Members do enough each year to promote democracy. It would be as inappropriate—[ *Interruption.* ] Perhaps I am tempting hon. Members. What is good enough for us is good enough for local government. Every elected member of every authority knows that they have responsibilities, and we should allow them to discharge those responsibilities in their own way without the central imposition that even the previous Government thought was a dead end.

**Barbara Keeley:** I am pleased—I am sure that my staff will be extremely pleased—to hear that my website is appreciated by some of its visitors. There are Members who do not promote democracy, however, and this is the point we keep coming back to with our “may” and “must” debates: what do we do with all those recalcitrant individuals and authorities who do nothing? Democracy is not promoted for the residents of those areas. We must face the fact that there is declining enthusiasm for elections and lower turnout, apart from when the issues are very controversial.

I want to ask the Minister a different question. Members on both sides of the Committee share a desire to encourage more people to stand for election to their local council. My hon. Friend the Member for Wrexham (Ian Lucas) asked a question about that at business questions recently. He said:

“Could we have a debate on the eligibility of council employees to stand for public office? In an increasingly unitary local government framework, does it make any sense to continue to disqualify lollipop ladies and classroom assistants from standing for election to their local councils? Should we not encourage public service by making those people eligible to be councillors?”

The Leader of the House replied:

“As the hon. Gentleman knows, we have introduced the Localism Bill. There may be an opportunity, as that Bill goes through the House, to have a debate on eligibility to be a local councillor, to see whether we can remove disqualifications for which there are no apparent reasons.”—[*Official Report*, 13 January 2011; Vol. 521, c. 444.]

That was a promise that the Government might be interested in looking at the issue.

I know that my hon. Friend the Member for Wrexham—[ *Interruption.* ] Yes, it is a minefield, but I would particularly encourage this to be considered in the light of the fact that we will be talking next week about community empowerment and the possibility that council employees may bid for services, and a service may start to be run outwith a council. People who are disqualified could suddenly find that that is not the case. If that happened at a large scale in some areas, there could be some very unfair effects. There might be one position for lollipop ladies and classroom assistants, while much more senior people involved in a charity or some form of social enterprise could still be disqualified. Can the Minister give us any encouragement on that?

**Greg Clark:** Let me answer the hon. Lady's first point first. What can be done about those councillors—those elected members of democratic institutions at any level—who do not enough to engage with and involve their community? Frankly, they get voted out of office—that is an imperative, and we want to see more of it. There are further things that we can do. One of the reasons why local election turnout has declined and people have been put off participating in local government is that when powers are taken away from local government and local people and given to centralised or—even worse—unelected bodies, it reduces the motivation to be a local councillor and the purpose of the role.

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): We hear such points fairly regularly. What the Minister says is entirely reasonable and has some merit, but how would he account for the declining turnout across all of the developed democracies in western Europe, regardless of local powers, federalism or their systems? The trend is seen in every country, so surely it cannot be explained by reference to specific powers and the balance between national and local government.

**Greg Clark:** That is a very good point. It is true that declining participation presents a challenge, but this country has experienced a precipitous decline that is greater than that of other countries. Let us consider significant and meaningful elections. For example, there was a lot of interest in the previous US presidential election because a great deal was at stake. People started to participate in new ways. That did not happen because Congress imposed a duty on Senators and Congressmen to whip up interest in the presidential contest, but because there was a hard-fought contest on which many important matters concerning the whole of America and the free world rested.

Putting more substantial decisions in the hands of local people and their elected bodies is the way to revive confidence and interest. We have a system in which there is a remote and alienating regional tier that people feel imposes on them. Local government operating through the comprehensive area assessment, and so essentially acting as a branch officer of central Government, is not the way to promote democracy. The previous Government would have been better served by addressing, as we are, the fundamental causes of a lack of participation, rather than attempting, but failing, to deal with its symptoms, although they recognised that in the end by not commencing the relevant provisions of the Local Democracy, Economic Development and Construction Act 2009.

**Mr Raynsford:** The Minister's thesis is that the decline in the power of local government is one explanation for the fall in turnout in local government elections. If his thesis were correct, the obverse would surely be the case. The most precipitant fall in participation occurred in elections to this House, particularly in 2001 and 2005. If his thesis were correct and the previous Government had been taking powers away from local government, we might have

expected an increase, not a decrease, in the turnout for those elections, but that was not the case. The pattern that my hon. Friend the Member for Stalybridge and Hyde described is true. It is international and it relates to Parliament as well as local government. Although we might intellectually like to think there is some truth in the Minister's case, it does not wash.

**Greg Clark:** The right hon. Gentleman need only look at the increase in participation in the previous general election to see what happens when there is something at stake. I am sad to say that most of the population did not share the expectation that the 2001 election would be a knife-edge contest, so some people decided that it was not worth turning out. There was more at stake in 2010, so many people turned out to vote. Surely it is not a matter of contention between the parties that the more people are involved in making decisions, the more relevant things seem for them, and the more likely they will be to take up the powers.

The Member for Worsley and Eccles South made a point about disqualification proceedings. I have great respect for anything that the Leader of the House says. I will correct myself before the Committee if I am wrong, but my understanding of the disqualification process—the hon. Lady mentioned lollipop ladies—is that such employees are unable to stand for election for the authority that employs them. I think there is a reason for that.

**Barbara Keeley:** It is either lollipop ladies and men or teaching assistants, but the essence of what we are putting forward is that such people should be representing the community that they live in and know. I was a councillor in Trafford. We may say to people, “You could stand in Stafford or Manchester”, but they might not know those places and be part of them. Teaching assistants and lollipop ladies would be well known in their communities and their representation of local people would probably be excellent. My hon. Friend the Member for Wrexham was asking why they cannot stand for election. Surely working for a council by helping children across the road or acting at a very junior level in a school is not a great enough connection to stop somebody being a councillor.

3 pm

**Greg Clark:** I understand the hon. Lady's point, which she makes well. It is reasonable to accept that there is a potential issue if someone working for a council is also a member of the council. Of course, people will have many opportunities, especially under our plans in the Bill, to participate in authorities other than the one that employs them. If there is a parish council or, indeed, a neighbourhood forum, people can get involved at that level. If they work for a lower-tier authority, they could be involved in the upper-tier authority. At the moment, there is no lack of opportunity for people to participate in their communities in ways other than through their employment, but it is right that we reflect on the safeguards necessary to guard against possible conflicts of interest. If the Leader of the House has said that he will look at it, it is reasonable to do so.

**Barbara Keeley:** I think he said that you would.

**Greg Clark:** If he said that I would look at it, look at it I will.

The hon. Member for Birmingham, Erdington asked what research was available on participation in parish councils. I do not have the details of any such research, but if there is a body of research that has been referred to, I will certainly advise him and the Committee.

*Question put and agreed to.*

*Clause 27 accordingly ordered to stand part of the Bill.*

## **Clause 28**

### **Repeal of provisions about petitions to local authorities**

*Question proposed, That the clause stand part of the Bill.*

**Jack Dromey:** Once again, we want to place on the record our concern about and opposition to the provision. The Local Democracy, Economic Development and Construction Act 2009 gave councils new powers, as we have already debated, to promote democratic engagement and civic participation. For the first time, local communities were given legal rights to receive a response to their petitions. Clause 28 removes the requirement for local authorities to establish schemes to accept and respond to local petitions. In addition to the removal of the duty to promote democracy, the removal of the duty to respond to petitions clearly undermines the Government's commitment to localism and empowering communities.

We all have the same experience; petitions provide an extremely important way for local communities to express their views collectively about an issue and to generate local and national debate. Petitioning also helps to ensure that local authorities are aware of and respond to the issues, concerns and aspirations that are most important to local people.

Perhaps Government Committee members are not aware of this, but the petition has a long and noble history in this country and is an ancient practice of written request to the sovereign, the Government or Parliament. The House of Commons Information Office's interesting fact sheet on public petitions, which I recommend to all hon. Members, says:

“The right of the subject to petition the Monarch for redress of personal grievances has probably been exercised since Saxon times. It was recognised in Magna Carta and more explicitly in an Act of 1406. The Bill of Rights of 1688 restated that right in unambiguous terms, ‘...it is the right of the subjects to petition the King, and all commitments and prosecutions for such petitioning are illegal’.”

It has even been suggested that Parliament originated in meetings of the king's council, where petitions were considered.

The first recorded petitions to the Houses of Parliament date from the reign of Richard II and became such an important part of our parliamentary democracy that, in 1571, a Committee for Motions of Grievs and Petitions was first appointed. Petitions continued throughout the centuries. In the 16th and 17th centuries, they generally dealt with personal or local grievances. Then, with the increase in the influence of Parliament during the reign of Charles I, petitioning became one of the main methods of airing grievances by those classes under-represented in Parliament.

There is, therefore, a long and honourable history of the right to petition and the power of the House to deal with petitions, and the previous Government's legislation sought to extend those rights to ordinary people locally in relation to their local authorities.

By the 1830s, both for Parliament and for town halls, the reading of petitions took up considerable time. MPs often used the system to get frequent and unscheduled debates on subjects that their constituents felt strongly about. During the 19th century, 10,000 a Session came to Parliament.

That great historic tide was confirmed when 6 million people, out of a population of 20 million, signed the Chartist petitions in the 1840s, which demanded greater democracy. Another mass petition involved tens of thousands signing in support of the campaign to abolish the transatlantic slave trade. In 1901, *The Times* considered that “whatever their practical utility”, petitions would

“always have a sentimental value as keeping alive a popular right based upon one of the fundamental principles of the British Constitution.”

In recent years, we have seen a number of petitions to the House of Commons, which demonstrates that that ancient practice is still valuable to petitioners and represents an important method of interaction with Parliament and local government. The long-established tradition of presenting petitions to No. 10 Downing street was brought into the 21st century with the introduction of the e-petition website in 2006.

**Fiona Bruce:** Does anything in the clause prohibit an individual handing in a petition in future?

**Jack Dromey:** With the greatest respect to the hon. Lady, the problem is that if one petitions, one requires a response. Under the Government’s proposals, citizens will be able to petition but a local authority will be under no obligation to respond to the grievances that that petition contains. It is simply a matter of saying to local authorities, “Hear the voice of your local community. If they take the time and effort to sign a petition on issues that concern them, they deserve those concerns to be properly considered and they deserve a proper and considered response.”

**Brandon Lewis:** Obviously, we will come to that as we go through the Bill. Is that not exactly what the new referendum system is about, however? It will have the same impact.

**Jack Dromey:** I cannot understand why one would pose one against the other. We will debate that in some detail, but why rob local people of their right to say to their council, “This is a matter of concern to us, and we expect a response from you”? Under clause 28, the council is under no obligation whatever to respond. Any sensible council would do so, but if councils choose not to, the citizen can do nothing about that.

The Local Democracy, Economic Development and Construction Act 2009 introduced new and groundbreaking requirements for local authorities to respond to the communities that they serve. Petitions are an important way in which local communities can collectively express their views on issues that matter to them.

Petitions can also improve the connection between residents and local authorities, especially—in answer to the point that the hon. Member for Congleton made—when they are acknowledged and responded to seriously by local authorities. The process of formally petitioning local authorities strengthens the voice of local communities and allows them to have a legitimate voice in, and a direct influence on, local authority decision making. It also

helps to ensure that local authorities are aware of the issues, concerns and aspirations that matter most to local people and that they can respond to them accordingly.

The Government's commitment to localism, to the big society and to empowering local communities is undermined by the removal, in defiance of 1,000 years of tradition, of the legal requirement for the right of every citizen to be heard. The Government must not ignore our history; we stand in the great British tradition from Magna Carta, through the Chartists to the 2009 Act.

**Greg Clark:** I do not know where to begin. The shadow Minister has done his straight-man act and kept a straight face, but he has now turned into the Simon Schama or David Starkey of the Labour party and given us a sweep of history. I am astonished. What a treat it was to hear that long sweep of thousands of years of British history, from Magna Carta to the abolition of slavery to the Chartists. And to think that all that was possible without the Local Democracy, Economic Development and Construction Act 2009.

We are all in favour of petitions. I have presented them and I am sure that every Member of the House has, too. None of us has felt constrained by the arrangements. I dare say that the reason why we present petitions is that we think it is the right thing to do. We want to give expression to the opinions of our constituents and, if we refused to represent them and take them seriously, that would be noted and we would bear the consequences at the next general election. A degree of self-interest and community mindedness over the past 1,000 years has meant that we have proceeded reasonably well.

We are not against petitions, but the detailed prescription on them. It is emblematic of the previous Government's approach to turn something that, as the hon. Gentleman has said, is a glory of our unwritten constitution into something so turgid that it is resented by local authorities.

The Local Government Association cited the prescription on petitions as one of the top five most resented burdens that it has asked this Government to remove. It costs £4.2 million to tick the boxes in relation to the—frankly, blindingly obvious—steps that any reasonable body would take to properly consider a petition. There is no need for it. We can save more than £4 million, which would be best spent on local services, by getting rid of yet another daft leftover from the previous Government. I hope that the Committee agrees with that.

**Barbara Keeley:** In support of what my hon. Friend the Member for Birmingham, Erdington has said, I believe that there is a difficulty. I know from my time as Deputy Leader of the House before the last election that the House has been testing over the past number of years how to improve what it does in support of petitions. It has made sure that, when a Member presents a petition to the House, it is recorded in *Hansard*, and it has tried to find ways for Committees to respond to them.

We should reject the repeals, keep the duty on petitions and not substitute them with something else. A referendum would be costly, particularly in London boroughs. The impact assessment mentions hundreds and thousands of pounds in relation to referendums. It will not happen lightly. Collecting 5% of signatures—if that remains the amount required—will not be easy.

I am sure that members of the Committee will have received petitions recently. We recently received a petition and took it to our local council in Salford. It was from all the parents whose

children attend a particular day nursery, and it complained about the nursery's poor lighting, which they thought unsatisfactory in the dark of winter.

There is no way that a local referendum could meet the requirements of such small, concentrated groups, which may comprise all the people who live on a street or two. The previous Government introduced the duty because there was a need to get those councils that were not responding to petitions to do so. It is part of our desire to promote public engagement and make sure that people receive an answer. There is enough cynicism about councils. People always complain that when they write to them, they do not reply, and that when they ask them to do something, they do not do it. The petition is cheap, flexible and effective. It is well understood and has a long history, and I am astonished that it is being so readily thrown out.

3.15 pm

**Greg Clark:** I am grateful for the hon. Lady's contribution. She has yet again established her place in my mind as a paragon of local democratic engagement, promoting petitions in her constituency. I imagine that her council responded well to the petition and took it seriously. A council that did not do that should, frankly, be thrown out. We would all recognise that a council that is failing to engage with its community should bear the consequences. The hon. Lady says that the House is thinking about how to improve the means by which we consider petitions. That has the germ of a principle that we should establish for local councils. It should be for the bodies themselves to consider their current practice, to reflect on how they can improve it and to make those changes. If we do not think we have got it right, it ill behoves us to give our flawed and partial advice to every local authority in the country—one of which, heaven knows, might have a better way of doing it.

As all Government and I am sure many Opposition Committee members agree, part of the purpose of the Bill is to give expression to the principle that Westminster does not have a monopoly on the best ideas. Good ideas and different ways of doing things occur to people in other parts of the country and at other levels of democracy, and they should have the right to do it their way. Repealing the duty does not in any way remove people's ability to petition their council, but it removes a £4 million burden and allows people to respond more directly to their local population.

*Question put and agreed to.*

*Clause 28 accordingly ordered to stand part of the Bill.*

*Clause 29 ordered to stand part of the Bill.*

### **Clause 30**

#### **Power to require local or public authorities to make payments in respect of certain EU financial sanctions**

*Question proposed,* That the clause stand part of the Bill.

**Barbara Keeley:** I want to say right from the outset that we object very strongly to part 2, and we will not support the proposal that clauses 30 to 34 stand part of the Bill.

The Local Government Association has described these plans, which allow Ministers to pass national fines levied by the EU down to the local level, as

“unfair, unworkable, dangerous and unconstitutional.”

The LGA has called for the complete removal of this part, and we support that. It has said that it opposes

“any moves to order English councils to contribute to EU fines imposed on the UK government. The EU treaty clearly states that only governments are liable for fines.”

The provision to pass down EU fines to local authorities has been imposed without consulting local government. It creates a new regime for the Government to impose fines extra-judicially by executive action, and it would result in significant and unjustified financial strain on local authorities that are already facing extremely testing circumstances.

Clauses 30 to 34 are unfair and unworkable, because

“it would be impossible to calculate fairly how to attribute any liability between the countries of the UK and between councils in England.”

Councillor Gary Porter from the LGA said of EU fines:

“It has to be somebody in a room with no knowledge of how the world works who decides that it is feasible to pass EU fines on to councils for things over which we have no control. I cannot see how a council with a motorway or an airport on its patch can ever be considered to be responsible for this country failing to reach its carbon reduction targets.

The same is true with landfill. How can we be responsible for the landfill fines if we do not have complete freedom with the levers that could reduce landfill?”—[*Official Report, Localism Public Bill Committee*, 25 January 2011; c. 7, Q2.]

EU fines are unfair at a time when the budgets of many local authorities are affected by the swingeing, front-loaded cuts imposed by the Government. The added threat of national fines being delegated to local councils by Ministers is unjustifiable.

We have been asked to agree to these clauses, but we do not even know the potential financial impact. The impact assessment does not enlighten the reader, but there is this rather ominous comment:

“It is difficult to predict with any degree of certainty the amount of fine that may be imposed by the European Court of Justice in any individual case, but the likely level might be significant with a minimum lump sum of about €9.666m...and a possible substantial daily fine of thousands of pounds for continuing non-compliance. To give a very rough indication of historic fines, in a Spanish bathing water case, the levy was €624,000 per year for each 1 per cent of bathing waters in breach of the relevant Directive. In a French fishing case the levy was a €20m lump sum fine and €58m every six months until the issue is resolved. In a Greece state aid case the levy was €16,000 for each day of delay in complying with the judgement and a lump sum of €2m.”

It is quite amusing that the impact assessment goes on to say:

“In these days of financial restraint and restricted budgets it will be more difficult for a government department to absorb any level of financial sanction in the order of €9,66m plus. How much more difficult will it be for a local authority facing cuts of 27% over 4 years, meaning actual budget cuts of £40 to £50 million or more in some cases to pay fines for infractions over which they have no policy control? The priority should be preventing fines from being given in the first place, but action on the matters that might give rise to fines is a national responsibility, not for an individual local authority.”

The Government are imposing cuts. They are imposing shadow mayors and they now want to impose unfair fines.

**Several hon. Members** *rose* —

**The Chair:** I call the Minister. No, sorry, I call Mr Dakin.

**Nic Dakin:** I am not very practised in catching your eye, Mr Amess. I must get better at it.

**Mr Raynsford:** You will.

**Nic Dakin:** Thank you. I want to make one or two points. At the heart of the Bill is a very centrist desire to impose the will of central Government on local government and, worse, to impose fines on local government for things over which it has no control.

It is not surprising that Councillor Gary Porter and the other people from local government who gave evidence to us were concerned about this. Councillor Porter showed a touching confidence in us as politicians in respect of putting right what he saw as the meddling of officials in parts of the Bill. I am sure that he saw this clause as one of those areas that we need to put right. If we are genuine about localism and about allowing local people to take things forward, this clause needs to be removed because it gives the Secretary of State an additional power that he should not have.

**Heidi Alexander:** I find the clause remarkable and I would like the Minister to explain the rationale behind it. The only rationale I can see is to pass the buck and pass on costs to local authorities. As my hon. Friend the Member for Worsley and Eccles South has explained, we know what incredible pressure the budgets of local authorities will be under over the next couple of years.

As I represent a London constituency, I wonder how the clause would work in a London context. Reference has already been made to air pollution and not meeting the relevant targets set in EU legislation. We have Heathrow in London and I wonder how this measure would work for the Greater London authority or Hounslow. What control does Hounslow or the GLA have over the air pollutants from the nation's primary airport? How would it work around landfill?

In my previous career, I represented a unitary authority. The London borough of Lewisham has direct responsibility over how we manage our waste. We were able to build an incinerator and to reduce the amount of waste that was going to landfill. But for many local authorities,

meeting EU landfill targets is incredibly difficult. How do we allocate where the fines are allocated when different local authorities have different types of responsibility?

**Jack Dromey:** Sir Simon Milton also expressed concerns on this matter; he was speaking on behalf of the London Mayor. Would my hon. Friend like to comment on those concerns, particularly about how the responsibility is divided up between the 32 London boroughs and the Mayor on issues such as pollution?

**Heidi Alexander:** Indeed. Obviously, in London the Mayor has decided to discontinue the western extension of the congestion charge zone. Some local authorities, albeit not the ones in that area, disagreed with the decision and would like the project to continue. When Sir Simon Milton gave evidence, he expressed concerns about the provision. As a London MP, I share those concerns.

**The Chair:** Order. Before we hear the other contributions, I should say that I am minded to have a wide debate on clause 30 stand part, but we cannot have the same debate on the next three clauses.

**Mr Raynsford:** I rise only to draw attention to the specific issues that Sir Simon Milton raised in his evidence. He started by highlighting that the principle was wrong:

“We object in principle to the concept of delegating fines without also delegating the funds, resources and powers to take the steps necessary to avoid the fines.”—[*Official Report, Localism Public Bill Committee*, 25 January 2011; c. 51, Q84.]

I would have thought that the Government, with all their devolutionary aspirations, would have had a great deal of sympathy with that clear principle. It cannot be right to delegate an obligation to pay a fine without delegating the means to mitigate the harm to the maximum extent, or if not, then the resources to enable the authority to pay the fine. That is particularly true when the authority has had no role whatever in the circumstances leading to the infringement. Sir Simon went on to highlight circumstances in which the measure would apply:

“For example, in London there are three waste sites that contribute to our exceeding air quality levels. Those waste sites are operated by boroughs, they are regulated by the Environment Agency and yet it is the Mayor of London who will face a fine if those sites continue to exceed air quality levels.”—[*Official Report, Localism Public Bill Committee*, 25 January 2011; c. 52, Q84.]

Again, that is a powerful point of principle. If the Government intend to delegate the obligation to pay that fine to an authority that has had no part whatever in the circumstances leading to the infringement, that implies a considerable measure of injustice.

There are important points of principle that not only cover the worries and anxieties of local government, but go to the heart of the Bill. If the Government are truly as devolutionist as they pretend to be, they have to reconsider the provision, because it is not devolutionary. It is a centralising provision, which says, “We are only devolving costs to local government. We are making local government meet the costs, but won’t help them with the obligations that go with fines.” I urge the Government to reconsider. A strong case has been made, not only by my hon. Friends but by witnesses. I hope that the Minister will restore some of his devolutionary credibility by removing the provision, which makes a mockery of the aspiration to devolve.

**Greg Clark:** I am always anxious to restore my devolutionary credibility. I share Councillor Porter's assessment of the capability of the Committee and the House to ensure that the legislation does not fall into the trap of unintended consequences, and the scrutiny process is important in that.

The principle is clear: with great power comes great responsibility, as was said in a recent film. We are giving great power to local authorities—powers that used to reside with Ministers in Whitehall. We are giving them to people who will be able to exercise them with fewer restraints than they had in the past, so there needs to be some responsibility. In effect, the question is one of subsidiarity. Where should power lie? What accountability should there be at that level of power? I concur with the evidence and the right hon. Gentleman's quote from Sir Simon Milton, who said that if we devolve responsibility for paying contributions to the fines, we must devolve the powers to deal with the problem. That seems an absolutely correct encapsulation of the issue at hand.

3.30 pm

**Jonathan Reynolds:** Following that line of argument and inquiry, how will the Minister ensure, given what EU fines cover, that no local authority will be liable to fines for pollution or other things that occurred before the Bill was passed?

**Greg Clark:** That is exactly the Government's intention. Clause 30 will require, among other things, the Secretary of State to publish a policy statement setting out the general principles for exercising the power and determining the amounts of fines. Sir Simon Milton's evidence was characteristically wise. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst, said to him:

“You are saying that if you were responsible and couldn't do anything about it that would be one thing, but if you were responsible and could do something about it then it's probably pretty just under such circumstances that you should pick up the bill.”

Sir Simon responded:

“Yes, and that's where I think it's important to have safeguards as to methodology, to make sure that fines are not unfairly dedicated.”—[*Official Report, Localism Public Bill Committee*, 25 January 2011; c. 57-58, Q101.]

That is the Government's intention.

In the statement of policy, which we will draw up in consultation with the London boroughs and the LGA, we will establish a set of principles that clearly do not apportion responsibility for issues on which we might be subject to EU infraction proceedings but for which no local authority has responsibility, or where responsibility cannot be divided up, such as in the case of Heathrow's contribution. However, we are talking about cases where a particular local authority has an identifiable responsibility, was warned in advance and had the power to do something about the matter—to refer to the point made by the right hon. Member for Greenwich and Woolwich—but deliberately and wilfully set that responsibility aside. I am sure that we will be able to design a set of principles and safeguards that will allay any of the concerns that would be justified if it were intended merely to pass on all EU fines. That is not the intention; we will do things proportionately.

**Barbara Keeley:** I think that we are getting a bit more of what we had on Tuesday: “This will be okay because I say it will be okay.” The difficulty for the Opposition, the LGA, and the local councils that might be affected is that we have not seen the policy or what it might be like.

I was looking again at my notes on the impact assessment. The worry, bearing in mind the amount of the cuts with which local authorities are still tussling, is that a fine is a minimum lump sum of €9.6 million, according to the impact assessment, plus daily fines, and we have only those raw figures. Can the Minister give us some estimate of present liabilities and those in the near future? My local council in Salford is tussling with the need to cut £47 million this year. Authorities are now having to move their eligibility criteria for social care up to “critical”. There is no scope for the fines. If an authority has not done what it should in all areas, what is the potential impact of a passed-down fine? Could it be €500,000, or €1 million? How many thousands of euros a day are we talking about? It is not good enough to expect the Committee to go along with the measures just because the Minister says “It will be okay” and regulations and a policy can be made.

**Greg Clark:** The UK has not had a fine from the EU so far, so it is not possible to say what a typical fine is. The whole purpose of the provisions is to ensure that we never have a fine, because they provide the right incentives for everyone who might contribute to an infraction to prevent it from happening in the first place. To go back to the point made by the hon. Member for Stalybridge and Hyde, given our commitment to setting out the conditions, and the requirement for advance warning of both the risk of infraction proceedings and the fact that there is something that a particular authority can do about it, it clearly follows that there is no danger that anything could be retrospective in advance of the Bill.

I doubt whether there is an issue of principle between us. Let me give an example of something that could be a difficulty in future. Under the EU waste framework directive, there is a requirement on all waste planning authorities to adopt a waste management plan. That is a requirement on every single authority that is designated a waste authority. That is clearly something that is directly in the control of a local authority. What if it did not comply with the need to have a waste management plan? Clearly it would need to be notified in good time that it needed to have one, and it would need to be warned in good time that if it did not, it risked making the UK breach its treaty obligations and incurring a fine for the UK. If the responsibility was very clear and the power to avert the infraction was equally clear—obviously I cannot prejudice how this would be considered, but that seems to be a fair example—and there had been sufficient warning, it would be unfair to make council tax payers elsewhere in the country responsible for one particular authority’s failure to comply. Establishing a means by which that unfairness could be avoided seems to me to be the right thing to do.

The reasonable debate to have—the hon. Member for Worsley and Eccles South is perfectly right to say this—is about the methodology: the rules for allocating fines and for assessing whether it is reasonable to attribute a fine to a local authority. That is of the essence. We will come forward during the passage of the Bill with some suggestions on how that might be addressed.

**Mr Raynsford:** We are now moving in a much more positive direction on this clause. I am delighted at the way in which the Minister is explaining his intentions, which are broadly reasonable. Our difficulty is that there is widespread anxiety in local government about the

impact of the provisions. Moreover, in the absence of pre-legislative scrutiny, we have not had an opportunity to dig down into the issues and really get them resolved before we have to vote on the provisions. As my hon. Friend the Member for Worsley and Eccles South said, we are having to take things on trust. I hope that the Minister will recognise that the problem was created because the Bill was presented in short order, and with much of the detail that we would normally expect to see in Committee simply not available to us. I welcome the moves that the Minister is making, and I applaud his conciliatory approach, but it would have been more helpful if this had been done earlier.

**Greg Clark:** The right hon. Gentleman is a veteran of these proceedings from both the Front and Back Benches. He knows that it is perfectly usual for detailed provisions of policy statements and guidance to be drafted in parallel with a Bill. The officials should be commended for the fact that such a substantial Bill is in place for Parliament to scrutinise. I think the right hon. Gentleman was a member of the Committee that considered the last planning Bill that came before the House.

**Mr Raynsford** *indicated dissent.*

**Greg Clark:** Did the right hon. Gentleman miss that pleasure?

**Mr Raynsford:** It was the Housing and Regeneration Bill.

**Greg Clark:** I gather that more amendments were tabled in Committee to that Bill than there were clauses in the first place, so I think the right hon. Gentleman is being a little harsh. This is not a complex matter or a point of contention. I agree absolutely with the request and the injunction given by the deputy Mayor of London, Sir Simon Milton. They seem reasonable provisions. They are explicitly anticipated in clause 31, which provides that the warning notice should set out the Minister's reasons for believing that an authority has caused or contributed to any infraction, whether the authority should be required to make a payment, the criteria for determining the amount of payment and the proposed procedure and timetable for representations. That is a pretty clear set of intentions.

We will take that a step further to provide necessary and reasonable reassurance. However, again, the essential point of the measure is that if a particular local authority is entirely responsible for incurring a fine for the remaining citizens of the country, it is reasonable that there should be provision for that to be handed on. I note that the Labour-led Welsh Assembly Government recognised the same point and have requested the same power there. I think there is a recognition across parties in government that this is a reasonable and proportionate desire, and it clearly needs to be rooted in some operating procedures.

**Nic Dakin:** I welcome the way in which the Minister is approaching the debate because he seems to be taking things forward in a positive direction. Am I right to understand that he is essentially saying is that this principle will taken forward in such a way that local authorities can be vulnerable to EU fines only if they have proper control over the circumstances that might lead to that fine? Is he also saying that information we have not yet seen, because it has not yet been developed, will be worked up with the LGA and local authorities so that the measure will come into effect only in circumstances in which they are comfortable with what is being proposed?

**Greg Clark:** The hon. Gentleman captures the matter very well. Obviously we need to reserve the right to see what agreement can be reached. However, to cite Sir Simon again, he accepted, in response to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst, that it is right there should be liability where it is due, but said that the methodology needed safeguards. We will operate in accordance with the good advice that Sir Simon gave the Committee.

**Jonathan Reynolds:** I am sorry for pressing the Minister on this, but he will be aware of the level of concern out there. We are obviously going in a more positive direction, but I want to press him on a specific point. There is a discrepancy between power on the one hand and resources on the other. It would be very easy for any local authority that is liable to say, “Yes, we have the power, but I’m afraid we didn’t have the resources to make a difference, given that those resources come overwhelmingly from central Government.” Many members of the Committee who have been elected as members of various bodies have blamed central Government for not giving them enough resources as an easy way to get around a problem. Will the Minister address that crucial point?

**Barbara Keeley** *rose*—

**Greg Clark:** Is it on the same point?

**Barbara Keeley:** It will probably help the Minister if he can answer both questions at the same time. As I have stressed on a couple of occasions, we must bear in mind the context of the difficult financial situation and large front-loaded cuts faced by cities such as Liverpool, Manchester and Birmingham. They are having to cut jobs and services. I know that we have not yet reached the provisions on council tax, but they recognise the fact it is sometimes inappropriate to take certain action against a local authority. The Minister is still telling us that this is going to be okay because it is going to be okay. I am surprised that there could not be a similar measure in the EU fines provisions to say, “We don’t want to break a council”—even one that has been irresponsible, although I am not suggesting that that would happen.

When the guidance is drawn up, will the Minister assure us that he will consider some kind of measure that takes account of the financial context of an authority? This is being done extrajudicially. When individuals are fined by a court, their ability to pay is taken into account. The effect of levying a fine of many hundreds of thousands of pounds or half a million or more would have to be taken into account, so I am slightly surprised that that has not been considered.

**Greg Clark:** The hon. Members for Stalybridge and Hyde and for Worsley and Eccles South are very acute in recognising the need for this. In fact, that is provided for explicitly under clause 32, which requires the Minister

“to have regard to the effect on the authority’s finance of any”

payment, so there is an extra safeguard. Even if an authority is liable and it is undisputed that it is responsible for a particular infraction—if there is no doubt at all that it is to blame—the Bill still requires the Minister to consider the state of its finances. That addresses precisely the points made by the hon. Gentleman and the hon. Lady.

**Barbara Keeley:** I must press the Minister on that. I know that the Bill says that—I have seen the provision. However, the equivalent provision for council tax capping is much stronger, because it is stated that there will be “due regard” and that the Secretary of State may not press ahead. We need some kind of statement that the Minister must do more than just look at the situation or take it into account. If applying that sort of fine would break a council, it would not be right to do so. We would not want to see services cut back to the bone just to ensure that a fine was paid.

3.45 pm

**Greg Clark:** There is no danger of that. In fact, the drafting is pretty strong. The provision goes further than some of the other measures. It requires the Minister “to have regard to”—a legalistic phrase, as we know, but a powerful one in law—the effect of a payment on any authority’s finances to ensure that any allocated sum will not impose an excessive burden. It is not about tipping an authority into bankruptcy, but about imposing an excessive burden. It should be obvious from the drafting that we have bent over backwards to be reasonable and to accommodate local government’s perfectly understandable concerns. The powers could not be used unfairly.

*Question put,* That the clause stand part of the Bill.

*The Committee divided:* Ayes 14, Noes 8.

#### **Division No. 9 ]**

AYES

Bruce, Fiona

Cairns, Alun

Clark, rh Greg

Gilbert, Stephen

Howell, John

Lewis, Brandon

Morris, James

Neill, Robert

Ollerenshaw, Eric

Smith, Henry

Stewart, Iain

Stunell, Andrew

Ward, Mr David

Wiggin, Bill

NOES

Alexander, Heidi

Dakin, Nic

Dromey, Jack

Elliott, Julie

Keeley, Barbara

Raynsford, rh Mr Nick

Reynolds, Jonathan

Seabeck, Alison

*Question accordingly agreed to.*

*Clause 30 ordered to stand part of the Bill.*

### **Clause 31**

#### **Warning notices**

*Question put, That the clause stand part of the Bill.*

*The Committee divided: Ayes 14, Noes 8.*

### **Division No. 10 ]**

AYES

Bruce, Fiona

Cairns, Alun

Clark, rh Greg

Gilbert, Stephen

Howell, John

Lewis, Brandon

Morris, James

Neill, Robert

Ollerenshaw, Eric

Smith, Henry

Stewart, Iain

Stunell, Andrew

Ward, Mr David

Wiggin, Bill

NOES

Alexander, Heidi

Dakin, Nic

Dromey, Jack

Elliott, Julie

Keeley, Barbara

Raynsford, rh Mr Nick

Reynolds, Jonathan

Seabeck, Alison

*Question accordingly agreed to.*

*Clause 31 ordered to stand part of the Bill.*

*Ordered, That further consideration be now adjourned.—(Bill Wiggin.)*

3.49 pm

*Adjourned till Tuesday 8 February at half-past Ten o'clock.*