House of Commons

Wednesday 2 November 2011
The House met at half-past Eleven o’clock
Prayers

[Mr Speaker in the Chair]

business before questions

London Local Authorities Bill [Lords](By Order)
Consideration of Bill, as amended, opposed and deferred until Tuesday 8 November (Standing Order No. 20).

Oral Answers to Questions

Cabinet Office

The Minister for the Cabinet Office was asked—

Community Projects

1. Stephen Metcalfe (South Basildon and East Thurrock) (Con): What steps he is taking to encourage individuals and organisations to engage in projects that benefit their local community. [77750]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): Encouraging more social action is a key strand of the big society vision, so we are looking at ways to cut some of the red tape that gets in the way and are busy delivering programmes such as Community Organisers, Community First, the national citizen service and the social action fund.

Stephen Metcalfe: I thank my hon. Friend for his answer. Will he expand on how these initiatives will impact on the residents of South Basildon and East Thurrock and on what they could hope to see from such great ideas in the future?

Mr Hurd: I thank my hon. Friend for his positive reaction. I am aware that at least three wards, I think, in his constituency are eligible for the Community First grant programme. This is a fund designed to put money into the hands of neighbourhood groups to help them implement their own plans. It is focused on wards that blend high levels of deprivation with low levels of social capital, and I very much hope that he will engage personally in supporting constituents in those wards to maximise those particular opportunities.

Mrs Madeleine Moon (Bridgend) (Lab): I declare an interest as a trustee of Community Service Volunteers, which had its Make a Difference day on Saturday last week, encouraging people to volunteer and make a difference in their community. What steps will the Government take to ensure that organisations such as Community Service Volunteers can reach out and encourage volunteers like Abbie, who is unemployed, to make a difference by working in her local Marie Curie shop?

Mr Hurd: Community Service Volunteers is a great organisation and it had a spectacularly successful day. The answer lies in trying to reduce some of the barriers, such as the red tape that I mentioned, that stop people getting involved. It is also important to try to inspire people to step up and get more involved. That is why we believe that programmes such as Community Organisers and Community First, which are about bringing communities together to identify what they want to change and inspiring them to work together to make that change happen, can be a very powerful intervention.

Mr Mark Williams (Ceredigion) (LD): The Minister will be aware that this is national trustees week. Will he address two particular concerns of that campaign? The first is that the number of young people being attracted to become trustees is very small indeed, and the other is the fact that more than half of charities have at least one vacancy on their board of trustees.

Mr Hurd: The hon. Gentleman raises an extremely important point. We all know the value and importance of the work of trustees and the ability of a really good set of trustees to transform the capability of a charity or voluntary organisation. It is important that the Government will announce some steps to promote wider awareness of the opportunity to take part in being a trustee.
Voluntary Sector

2. **Tony Lloyd** (Manchester Central) (Lab): What recent steps he has taken to support the voluntary sector. [77751]

3. **Mr Russell Brown** (Dumfries and Galloway) (Lab): What steps he plans to take to support the voluntary sector. [77752]

**The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd):** I refer the hon. Members for Manchester Central (Tony Lloyd) and for Dumfries and Galloway (Mr Brown) to the open letter to the voluntary sector, which was sent to all MPs and published on the Cabinet Office website; it sets out our strategy for encouraging more social action and supporting civil society.

**Tony Lloyd:** The Greater Manchester centre for voluntary organisation estimates that a quarter of those employed by voluntary organisations are losing their jobs in this two-year period. Can the Minister honestly tell the voluntary sector through the House that with that level of cutbacks there really is a role for that sector? Volunteers need a structure in which to work.

**Mr Hurd:** I understand the hon. Gentleman’s point. We all have to recognise that there is less money around so some difficult choices have to be made. I simply refer him to the statement made by his own leader to the BBC on Valentine’s day this year to the effect that he could not have protected the voluntary sector from local authority cuts. There is awareness of the challenge that we all face. I know that the sector in Manchester has benefited from the transition fund and that a bid has been put in to the infrastructure fund from the organisations that support front-line organisations. Eighteen wards in the city of Manchester and 69 in Greater Manchester are eligible for the Community First grant programme.

**Mr Brown:** People in my constituency who are living with cancer and other long-term conditions desperately need benefits advice. It is currently provided by Macmillan Cancer Support, Citizens Advice, Welfare Rights and the Princess Royal Trust for Carers. I attended a meeting with these groups on Monday morning. Let me tell the Minister that they are under real pressure to find the financial wherewithal to go forward. Surely now is the time to make sure that these organisations have the financial support that is required to provide quality benefits advice.

**Mr Hurd:** I could not agree more. When I visited my local advice centre on Friday, I had a real sense of the strain and stress that its staff were experiencing. We have set aside a further £20 million of special funding for advice centres. There is also to be a short review to investigate what the Government can do to manage levels of demand on those working in that vital sector, and how we can make life easier for them.

**Mrs Eleanor Laing** (Epping Forest) (Con): Does the Minister agree that voluntary groups set up by people who do what they do because they want to, and because they have a lifetime of experience in the field—one example is Home-Start in my constituency—often fulfil their roles not only in a more cost-effective way, but better than others?

**Mr Hurd:** Absolutely. Value is reflected in two ways, in terms of cost and in terms of the effectiveness of the support that is given. In my experience, volunteer-led organisations enjoy a different level of trust among the people whom they are trying to help.

**Mr Peter Bone** (Wellingborough) (Con): Would the Minister welcome increased Government spending to enable the voluntary sector to deal with human trafficking? If the money went through the Salvation Army, the big society could help all charities to look after victims.

**Mr Hurd:** My hon. Friend makes a good point, with which I have a great deal of sympathy.

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): The latest survey of charity leaders by the National Council for Voluntary Organisations shows that 30% of them expect to cut jobs in the next three months, and that some 60% expect the economic situation, as it affects such organisations, to deteriorate over the next 12 months. Given that voluntary sector capacity is being reduced, is not the truth about the big society that, on the Minister’s watch, it is about to get smaller?

**Mr Hurd:** I dispute that. I remind the hon. Gentleman that the leader of his party told the BBC in February that he would not make councils protect cash for voluntary groups. There is a hard economic reality here: a sector that receives £13 billion of taxpayers’ money cannot be immune to the requirement to contribute to a reduction in Government borrowing. The challenge now is for us to find a way of working together to mitigate the damage done to the voluntary sector in the short term, while preparing it for the real opportunities down the track to deliver more public services.

Open Government Partnership

4. **Mr James Clappison** (Hertsmere) (Con): What assessment he has made of the potential role of the open government partnership in promoting openness and transparency. [77753]

**The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude):** Transparency is an idea whose time has come. It makes choice possible, it encourages accountability, and it can change lives. The United Kingdom Government are already the world leader in transparency, and the open government partnership will enable those huge benefits to be promoted to many other countries around the world.

**Mr Clappison:** The open government partnership is an interesting and exciting concept. Can my right
Mr Maude: All the principles underlying the partnership reflect things that we have already introduced: openness about Government spending, openness about salaries, openness about the internal workings of government, and an increase in the publication of outcome data about the way in which public services operate. We have said that commitment to and implementation of the principles of the open government partnership will increasingly be a material factor in decisions by the Department for International Development about where to place direct budget support for developing country Governments.

Mr Denis MacShane (Rotherham) (Lab): In the interests of open government, will the Minister agree to publish all the credit card expenses of Ministers and officials under the sum of £500 in all Departments, starting with the Housing Minister?

Mr Maude: It is good to hear the right hon. Gentleman being so enthusiastic about transparency. We have already published Government payment card data covering transactions between April and August this year, and we will continue to do so. We will publish the data for 2010 and 2011, and Departments will also have the option of publishing data for the previous year, when the last Government were in office. I look forward to enthusiastic support from the Labour party when the transactions made when it was in office are made public.

Charlie Elphicke (Dover) (Con): I thank the Minister for that response, and in particular for what he said about the last Government. I believe that the limit should be zero rather than £500, because we would not have known about the expenditure of the NHS on finger puppets if a higher limit had applied.

Mr Maude: My hon. Friend makes the purist case for the disclosure of absolutely everything, but we have gone infinitely further than any Government have ever gone before in exposing the spending of Departments. Of course we will keep that under review, but the first thing we need to do is complete the publication of the data on transactions below £500, including some that took place under the last Government.

Jon Trickett (Hemsworth) (Lab): Given the pride the Minister obviously takes in transparency, is it not slightly odd that his Department, which leads on these matters for the whole Government, has the worst record in responding to freedom of information requests? Indeed, some people might think that is almost fishy. Since coming into office, the number of FOI requests answered on time by his Department has nosedived from 90% in March 2010 to only 42% in March this year. What do they have to hide? Will the Minister now tell us when he intends to get his house in order on FOI?

Mr Maude: First, I welcome the hon. Gentleman to his post and congratulate him on his elevation to the shadow Cabinet.

The Cabinet Office deals with FOI requests in respect of Cabinet papers under the last Government, and that takes some time to deal with because we need to consult former Ministers in that Government. Any FOI requests relating to the royal family also need to be dealt with sensitively, with a lot of consultation. I notice that the hon. Gentleman does not raise the issue of Government procurement cards, and does not echo the response of his colleague, the hon. Member for Barnsley East (Michael Dugher), who said, when we published these data, that we had gone on a spending spree, when, in fact, we had cut spending under Government procurement cards by 10% compared with the record of his party.

Trade Union Facility Time

5. Karl McCartney (Lincoln) (Con): What is the cost to the public purse of the provision of trade union facility time by Government Departments in the last year for which figures are available. [77754]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): Total spend on trade union facility time across the civil service is estimated to be around £30 million a year, while in the public sector as a whole the estimate is £225 million. ACAS guidance suggests this system should be regularly reviewed. Strangely, we have not been able to find any evidence that it was reviewed under the last Government.

Karl McCartney: I thank my right hon. Friend for that very revealing answer. He will be aware of the current scandal of public sector employees spending 100% of their time on union activities while still drawing their publicly funded salary. My constituents in Lincoln expect their thousands of pounds in taxes to be used to pay for public services, not union activities. This situation clearly does not—

Mr Speaker: Order. What I want is a question—in one sentence, very briefly, now.

Karl McCartney: Will my right hon. Friend assure me that as part of any consultation or meeting, such as the one he had today, he will fully examine this scandal?

Mr Maude: As I have said, we are going to consult on this. We will want to look very carefully at the phenomenon whereby large numbers of civil servants and other public servants are engaged full time as union officials at the taxpayers’ expense. There may be a case for some of this continuing, but certainly not on the scale we inherited from the Labour party.

Mr Gerry Sutcliffe (Bradford South) (Lab): But is there not also a point to be made about how much money is saved to the public purse by having good industrial relations? Instead of going backwards, should not the Minister be going forward and talking about how he could improve industrial relations?

Mr Maude: If the hon. Gentleman wishes to make the case for why more and more taxpayers’ money
should be spent on subsidising union officials, let him do so, and let him explain to his constituents why that is good value when what they want is taxpayers’ money to be spent on front-line public services, on which the most vulnerable people in our society depend.

Third Sector Contracts

6. Jonathan Ashworth (Leicester South) (Lab): What recent progress he has made in increasing the number of central Government contracts secured by the third sector. [77756]

The Minister of State, Cabinet Office (Mr Oliver Letwin): Since May 2010 there have been 702 purchase orders for third sector services by the Department of Health alone. There have also been 94 contracts with third sector organisations from five different Departments: four from the Department for Culture, Media and Sport, 21 from the Ministry of Justice, 15 from the Department for Environment, Food and Rural Affairs, 47 from the Department for Work and Pensions and seven from the Department for Transport. Those contracts have a total value of more than £488 million. Unfortunately, I cannot say how that compares with the previous Government’s record as records were not kept at that time.

Jonathan Ashworth: I am grateful to the Minister for that answer. In the last week, I met a voluntary third sector organisation in my constituency called Tolsam, which does a lot of valuable work with the young unemployed and those not in education, employment or training. Given the scale of the youth unemployment problem our country now faces, will Ministers consider introducing a requirement that third sector organisations that work with NEETs and the young employed are favoured when awarding contracts?

Mr Letwin: The hon. Gentleman, who I have discovered has a very honourable record of visiting social enterprises in his constituency, makes a good point. We do believe that there is great merit in including in public sector contracting provisions that reflect social value and social outcomes. We are working on that and we intend to proceed with it.

Mr James Gray (North Wiltshire) (Con): The Government have launched the Contracts Finder website, which enables third sector companies to find Government contracts. How does the Minister intend to assess how successful that has been and will he publish figures to demonstrate whether or not it has worked?

Mr Letwin: My hon. Friend makes a good point. We have indeed launched the Contracts Finder website, and I did a bit of mystery shopping to check whether it was possible to use it. I am glad to be able to tell the House that it is a very useful thing. We have already received some feedback from businesses and third sector organisations that have been on the website, and where we have had that feedback we have responded to it. We will be looking at the overall effectiveness of the website in due course and reporting back to the House.

Social Enterprise

7. Julie Elliott (Sunderland Central) (Lab): What steps he is taking to promote social enterprises. [77757]

The Minister of State, Cabinet Office (Mr Oliver Letwin): First, we now have Big Society Capital established—the initial investment was made in the summer. Secondly, we are moving ahead with the establishment of mutuals, with a new mutuals support programme; 45,000 staff are already in social enterprises in health care alone. Thirdly, we have promoted social enterprise in the Work programme, with two social enterprises as prime providers and about 500 more voluntary sector organisations as subcontractors.

Julie Elliott: I thank the Minister for that answer. Does he believe that the Government and local authorities should be developing strategies to promote social enterprises? If so, why has he axed the clauses that would have made Departments do that from the private Member’s Bill of the hon. Member for Warwick and Leamington (Chris White)?

Mr Letwin: We do not feel that it is necessary to legislate for strategies at a national and local level. The previous Government specialised in having lots of strategies and fulfilling none of them. By contrast, we are in favour of taking action, which is why we are working with my hon. Friend the Member for Warwick and Leamington (Chris White) to ensure, as I mentioned in answer to the previous question, that there is provision for social outcomes and social value to be measured in contracts. That is, of course, part of his Bill. [Interruption.]

Mr Speaker: Order. I am sure that when the Minister was conducting his philosophy seminars he had a rather more respectful and attentive audience, and that is what we should grant him.

Dr Julian Huppert (Cambridge) (LD): Allia and Future Business are promoting social bonds to support social enterprises, such as the future business centre in my constituency. There has been a very good uptake by individuals and companies, but not by the banks. Will the Minister have discussions with the banks to encourage them to invest in these bonds, which provide a secure social investment asset?

Mr Letwin: We believe that social impact bonds have an enormous role to play. The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Ruislip, Northwood and Pinner (Mr Hurd), who has responsibility for the civil society, and I recently had a round table meeting with a group of social entrepreneurs and investors who are interested in investing in social enterprise. We are encouraging that and we are taking further steps through Big Society Capital to promote the use of social impact bonds. Of course our payment-by-results systems also make use of social impact bonds.
Mr Bernard Jenkin (Harwich and North Essex) (Con): What plans he has for the future of the role of the head of the civil service.

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): The roles of Cabinet Secretary and head of the civil service are very different and were indeed separate roles until 1981. Following the announcement of the retirement of Sir Gus O’Donnell, the role of head of the civil service will, once again, be separated from the Cabinet Secretary role. The two individual roles will be more focused, and people can be appointed to each on the basis of the skills match to each role. An internal competition is under way to recruit the post holder from among existing permanent secretaries.

Mr Speaker: We need to leave time for the question.

Mr Jenkin: Change is the watchword of the Prime Minister and change in government is a vital ingredient of the Government’s reform programme. How will the head of the civil service be able to lead and implement change if he does not have equal authority and equal access to the centre of government as he does now?

Mr Maude: He or she will have equal access and will exercise a decisive role in leading the reform of the civil service so that we can create a genuinely modern, progressive civil service that a modern Britain requires.

Mark Durkan (Foyle) (SDLP): Is the Minister satisfied that with the split of the new roles, the various questions of probity, propriety and procedure that were aired in the O’Donnell report on the Werritty affair will be clearly brought to a known figure in the future, or will there be confusion?

Mr Maude: We will make sure that those issues are properly scrutinised, as they were on that occasion, and that there are proper arrangements to ensure that that is the case.

Katy Clark (North Ayrshire and Arran) (Lab): If he will make a statement on his departmental responsibilities.

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): My responsibilities as Minister for the Cabinet Office are for the public sector efficiency and reform group, civil service issues, industrial relations strategy in the public sector, Government transparency, civil contingencies, civil society and cyber-security.

Katy Clark: The average pension for a woman retiring from the NHS is £3,000 and the average local government pension is £4,000. Does the Minister accept that if we increase the contributions for a worse pension, more people will simply opt out and we will end up paying more through the state benefits system?

Mr Maude: It is in no one’s interest that public sector workers should opt out of pension schemes. The numbers to which the hon. Lady refers do not in any way reflect the pension that people retire on after a full career. That is the average, including many people who serve relatively short times in the public service. At the end of these reforms public sector pensions will still be among the very best available, much better than those available to most people in the private sector, who have no chance of enjoying such pensions. [Interruption.]

Mr Speaker: Order. There are far too many noisy private conversations taking place. The House will want to hear Stephen Mosley.

Stephen Mosley (City of Chester) (Con): Thank you, Mr Speaker. Can the Minister update the House on the progress of negotiations with the trade unions on public sector pension reform?

Mr Maude: We have made progress and my right hon. Friend the Chief Secretary and I met the TUC again this morning. My right hon. Friend will make a statement to the House later. As I said, our intention is that public sector pensions will continue to be among the very best available, but fair both to public sector staff and to the general taxpayer, who has had to bear an increasing burden of the cost of paying for these pensions in recent years.

Michael Dugher (Barnsley East) (Lab): During last week’s debate on the Public Bodies Bill, the Government voted to scrap the role of the chief coroner, despite opposition from Opposition Members and from Back-Bench Conservative Members as well. Responding, the Royal British Legion said that it was “saddened that this opportunity to do the right thing by bereaved Service families was not taken” by the Government. As we approach Remembrance Sunday, is it not time that the Government did the right thing and listened to the Royal British Legion?

Mr Maude: The hon. Gentleman will have heard Ministers in the Ministry of Justice talking about this when we debated the matter last week, and I think they made a very good case for what the Government intend to do.

Henry Smith (Crawley) (Con): Can my right hon. Friend say how the British Government compare with the French Government when it comes to the number of contracts they procure with
Mr Maude: The procurement practice that we inherited from the previous Government militates heavily against the interests of UK suppliers and UK jobs, especially when it comes to very large contracts. Both France and Germany, which do not operate protectionist regimes and which obey the rules, give away fewer jobs to other countries. We are looking at this to see how we can support UK suppliers in a way that the previous Government signally failed to do.

T2. [77766] Bill Esterson (Sefton Central) (Lab): Speaking of fewer jobs, the Public Bodies Bill scrapped regional development agencies. My constituent, Mark Davenport, invested £6,000 setting up a business installing solar panels. At six weeks’ notice, the investment made by thousands of businesses was wiped out by a dramatic cut in the feed-in tariff scheme. Can the Minister explain to Mr Davenport how the abolition of the RDAs and now the cut in feed-in tariffs is helping jobs and growth?

The Minister of State, Cabinet Office (Mr Oliver Letwin): What the hon. Gentleman needs to deal with is the fact that the regional development agencies in their time never managed to achieve what they set out to achieve and acquired vast liabilities—an astonishing achievement for development agencies. The solar tariffs had to be reduced because they were a disgrace and would have cast ill-repute on the whole of the very important programme that we have for supporting renewables and feed-in tariffs in this country.

T5. [77771] Jake Berry (Rossendale and Darwen) (Con): People in Edgworth in my constituency found out that their bus service is being scrapped for want of £10,000, although the local authority can still find almost £100,000 to support trade union activity. What action will the Government take to end taxpayer-funded activity within the public sector?

Mr Maude: I have already said what we are planning to do in relation to the civil service. Obviously, local authorities must answer for their own affairs, but the guidance is that those arrangements should be reviewed regularly. I urge my hon. Friend to put pressure on his local authority to explain how it justifies spending money that should be spent on front-line public services supporting vulnerable people on subsidising trade union activity instead.

Stephen Timms (East Ham) (Lab): What discussions has the Minister had with colleagues who are responsible for the Work programme about openness and transparency? They are yet to publish any performance data on the programme. Moreover, they have banned Work programme providers from publishing their own performance data, as many of them would like to do.

Mr Maude: All the indications are that the Work programme is a successful move, and I will make those representations to my right hon. Friend the Secretary of State for Work and Pensions. We are generally the most open Government ever. We lead the world in transparency and have gone much further than the Government of whom the right hon. Gentleman was a distinguished member ever dreamt of going.

T6. [77773] Jason McCartney (Colne Valley) (Con): Having heard the excellent news this week on the increase in apprenticeship places, which are up 50% to 442,000, does my hon. Friend agree that the national citizen service can also play a key role in helping our young people into work?

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): Yes, because it helps them to develop the skills that employers need.