



Backbench Business Committee

Transcript of meeting

Tuesday 15 March 2016

Representations made before the Backbench Business Committee on Tuesday 15 March 2016

Members present; Ian Mearns (Chair), Bob Blackman, Mr Philip Hollobone, Gavin Newlands Mr David Nuttall.

Chris Stephens and **Ian C Lucas**; **Siobhain McDonagh**; **Jim Shannon** made representations.

Questions 1-23

Chris Stephens and **Ian C. Lucas** gave evidence.

Q1 Chair: Good afternoon and welcome to the meeting of the Backbench Business Committee. We have in front of us this afternoon three new applications. The first is from Chris Stephens on the subject of HMRC's "Building our future" plan. Chris, can you briefly outline the reason for your application, please?

Chris Stephens: First, I was hoping that Mr Philip Davies would also be here to help provide a presentation on behalf of the application, but due to other business he is unavailable. He said to me that he has contacted members of the Committee to support the application.

The proposed office closures affect all four nations of the UK, as reflected by the support for the application. As you may be aware, the current plan involves the closure of 90% of HMRC's offices over a four-year period from March 2017, and a reduction in staff from 58,000 to 50,000 in the same timeframe. HMRC has also recently issued compulsory redundancy notices to 152 members of staff; this is the biggest number of compulsory notices issued in a single instance by any UK civil service Department. The closures will have an impact on many towns and cities, and in some towns HMRC is the largest employer; as such, there is widespread interest. We believe that the issue deserves parliamentary scrutiny, as well as public scrutiny. There are question marks regarding the impact on HMRC's effectiveness and ability to collect tax and to enforce tax compliance.

A recent early-day motion on the issue attracted 71 signatures. The application has the support of Conservative, Labour, SNP, Liberal Democrat, Plaid Cymru, Green, DUP, UUP and SDLP

Members. We therefore ask for a debate in April of at least three hours, and we would be grateful if the Committee agreed that request.

Q2 Chair: Thank you very much. Ian, do you have anything to add?

Ian C. Lucas: I would like to support Chris's application. While there is a specific constituency interest relating to Wrexham, which has an HMRC centre that is due to close under the proposals, it is also for me a very strong regional policy issue. The proposal within Wales is for centralisation of all services in Cardiff, which is the first example to my knowledge of a reversal of regional policy by shifting jobs to the most affluent and prosperous areas of the country from poorer areas.

There is real concern about HMRC's capacity to deliver this over the next five years and doubts about the proposals, because we have so little detail. I took part in a debate that Philip Davies also took part in, pointing out the logistical difficulties involved in the proposals as they stand. We want to raise all those issues and air them with the Minister. I very strongly support having a three-hour debate, because there are a lot of issues to cover.

Q3 Mr Hollobone: Congratulations on your presentation, your application for debate and your motion, all of which I think are fantastic. To me, the big problem with your application is that there just aren't enough Conservative names on it. Now, I am not saying that because I am a Conservative; as a Committee, whenever we schedule time for a debate we really try to make sure that there is a balance between the different parties. I know that is difficult for some issues—more difficult than for others—but I think it's a real drawback with your application, because you have only one Conservative name. I know that Mr Davies can speak for 10, 20, 30 Conservative MPs in terms of length of time, but I really do think you need some more Conservative names.

Chris Stephens: Well, I have additional names. I have Lucy Allan and David Amess, and I also have another name—David Simpson of the DUP.

Q4 Mr Hollobone: There are still only three Conservatives. So, in terms of Government versus Opposition, it is three versus masses.

Chair: Was it Lucy Allan?

Chris Stephens: Lucy Allan and David Amess.

Ian C. Lucas: Mr Chairman, it makes it difficult if the Government—the Government party—have a veto on Back-Bench debates. While Philip knows that I respect him deeply and I take his point, it is a really important issue over a wide range of the House, and if a number of Conservatives have put their names forward, albeit not as many as we would like, I think that's indicative that there is some concern and it's really important that we have the opportunity to raise this issue. It's not an issue that the Government want raised and it would please them no end if we did not raise it, but we will continue to try to raise it. This is a very important Committee and we would like to have the opportunity, in Back-Bench business time, to raise it.

Q5 Mr Hollobone: I think you will find more Conservative names; I just think you haven't found them yet.

Ian C. Lucas: Perhaps if we can have a word outside afterwards, then—[*Laughter.*]

Chris Stephens: If it requires us to get additional Conservative names, we will certainly go for them. There are a number of Conservatives who have been contacted; some have not come back to us, but I am sure I can chase them up and get additional names, if that is what's required.

Q6 Chair: I would suggest that if you could get another three, that would be about enough. All right? Thank you very much indeed.

Q7 Mr Nuttall: I would just like to look at the urgency of the matter. I think you mentioned that you were looking for a debate in April. None of this is scheduled to start on 1 April, for example, is it?

Chris Stephens: No, but at this time 150 compulsory redundancy notices are being issued, and as I said in my initial presentation that is the largest number that a single UK civil service Department has ever issued that we are aware of. So in terms of getting the debate in April, it is, first, to be able to discuss this issue, because HMRC has obviously made a decision on that by issuing those notices. That's why we would like the debate in April.

Q8 Mr Nuttall: I just think it is important from the Committee's point of view that we have a backlog of several debates, and sometimes it's a question of trying to determine the relative priority of one debate against another. Clearly, if there are aspects of the application that merit extra points as it were—not that we have a points system, but if there is extra urgency to the application—that is important and it's a question of "Speak now," as it were.

Q9 Chair: Sorry, who was the DUP Member you added?

Chris Stephens: David Simpson.

Chair: Thank you.

Right, thank you very much, Chris and Ian. That concludes that, from your perspective. If you could have a word with any friendly faces on the Government Benches and get some additional names, that would be very useful.

Chris Stephens: I will pass them to the Clerks, yes?

Chair: Okay. Thank you very much indeed.

Siobhain McDonagh made representations.

Q10 Chair: Good afternoon, Siobhain. Could you briefly outline the subject and the reason for your application, which is about the national living wage and changes to employee contracts?

Siobhain McDonagh: Yes. It wasn't until a constituent came into my office with the consultation document from B&Q on the introduction of the living wage that I began fully to

understand the consequence for large numbers of people in the retail sector of the introduction of the national living wage. I appreciate that I am picking on B&Q because that is the one I know most about, but this includes most large high street retailers and a lot of companies in the hospitality and care sectors. There are a lot of people out there who work incredibly hard, long hours, do their best, do not earn a great deal and are about to earn a lot less after the introduction of the national living wage.

It is hard to explain to people because it seems such a non sequitur. How can it be that the hourly rate is increasing from 1 April but the overall take-home pay for some of our lowest paid people is actually going to go down? I have been frustrated trying to get that message across. I believe it is the job of Parliament to be the voice of people who are often ignored and forgotten about. We rightly talk a great deal about the junior doctors' new contract, but some of these people get little argument advanced on their behalf. My constituent is going to take home £50 a month less. That is just £2,600 a year.

It is not just a London issue. I thought perhaps it is a London issue because there are major changes to London weighting, but over the weekend, since my question at Prime Minister's Questions, I have been contacted by people from Liverpool, Yorkshire, the south of England and Northern Ireland. If anything, areas outside London are going to be more extremely affected because people stay in their jobs longer and there is less turnover. The people being affected are those who have been employed the longest in a particular store.

Chair: Thank you. Questions, please.

Q11 Bob Blackman: I have a great deal of sympathy with the application you are making, Siobhain, but one thing I would say is that it seems to be very heavy on Labour speakers and light on speakers from other parties, both Government and others. What efforts have you made to secure additional speakers? We obviously want a balanced debate.

Siobhain McDonagh: Well, Mr Blackman, I think I have done quite well to get three Conservative MPs to put their names to this.

Bob Blackman: There are only two on our list.

Siobhain McDonagh: I have got Lucy Allan, Paul Scully and Jeremy Lefroy. Sorry, that got that slightly out of order there. On the face of it, this is such a good thing for the Chancellor to have done. What I am trying to raise is the impact of it. Unless there is some adjustment or encouragement from the Government, a lot of people are going to lose out by this.

I feel confident that if we have a debate, more people who are being affected will feel confident in coming forward and will talk to their constituency MPs. That, by its very nature, will bring in more Conservative MPs to talk about it. Part of the problem is, none of these people can stand up and give their name, address or argue for themselves because they are worried that they are going to lose their job.

Bob Blackman: I understand that but can I suggest that, in order to get a more balanced debate, we want to see some extra speakers from the Government side? The other thing to remember is that these speakers can be against the motion if they choose.

The other issue that I would gently point you to is the impact on adult social care. At the moment, you are concentrating on B&Q, and I understand that, but there have been a lot of representations on adult social care from both owners of such homes and staff. Obviously, the issue for most owners is that they pass the cost on to a local authority or someone else, so it is a knock-on

effect. That does not seem to appear in your substantive motion, and I think it is a significant cost to the public purse as well as potentially having an overall impact on a large number of low-paid workers. That is something that you might want to consider.

Q12 Mr Hollobone: I would stress the point that Bob made that Conservative speakers do not need to be in favour of your motion. Julian Lewis is very good at this: when he applied to the Committee for debates on Trident, he had a lot of people who are anti-Trident supporting his application.

I congratulate you on your presentation, your application and your motion. It was all going very well until the last sentence, which “calls on the Chancellor of the Exchequer to recognise these actions and encourage employers to protect the wages of their staff.” It was building up to a big climax, and maybe you could call on the Chancellor of the Exchequer to do something rather more explicit as far as the Government are concerned, rather than just encouraging employers to do something.

Siobhain McDonagh: Those are the words of the EDM. In my question to the Prime Minister last week, I asked him to guarantee that nobody will lose out.

Mr Hollobone: It is up to you, but I would have thought that asking the Government to do something, rather than just to encourage, may attract more support for your motion.

Q13 Chair: Thank you very much, Siobhain. Of course, we will be taking that on board. The application is valid, but weight would be added to it if you could get some more Conservative names. Possibly start with the three that you have and see whether each can bring a friend, as it were.

Siobhain McDonagh: Would you want me to get more names and re-present the application?

Q14 Chair: No, just get more names and submit them to the Clerk. That would be really useful. We do not have any time to allocate before Easter anyway. We will be meeting again next week, so presenting that to us would be fine.

Siobhain McDonagh: So I have until next Monday to go and get some more people?

Chair: That would be really useful.

Mr Nuttall: There is no more time before the recess.

Chair: Thank you very much indeed.

Siobhain McDonagh: Thank you.

Jim Shannon made representations.

Q15 Chair: Next up we have Jim Shannon, who is going to apply for a debate on what are known in the industry as FOBTs—fixed odds betting terminals.

Jim Shannon: Thank you very much. It is always a joy to come to the Backbench Business Committee to request a debate.

Chair: We might start charging a fee for the chair.

Jim Shannon: This one has my name on it—[*Laughter.*] I jest. It just so happens that, all of a sudden, all these issues are burning in my mind.

I asked the Leader of the House a question on fixed odds betting terminals three or four weeks ago. As you will recall, I sat down beside you afterwards and found out what we had to do. That is why the request is here. I want this debate because it emerged some two weeks ago that Paddy Power was the subject of a Gambling Commission report that found that the bookmaker had encouraged a gambler until he lost his home, five jobs and his family. The man was a frequent user of fixed odds betting terminals, where you can put £100 in every 20 seconds. Some people can lose their whole week's wages in less than a minute. What concerns me about that particular case is that it is a microcosm of what is happening across the whole United Kingdom. I found it easy to get people to sign the application, and the names are from all the parties in the House.

In the case I mentioned, employees had informed the senior management and the shop staff were urged to increase the customer visits and time spent on the gambling premises. There was clearly at least ignorance or ignoring of the individual person who was having problems. It also seems that customers are using FOBTs to launder Scottish banknotes, too. Some 633 suspicious activity reports relating to money laundering have been flagged in betting shops in the last year, so it is not just about addiction issues.

People want to enjoy, or whatever terminology you want to use, the use of fixed odds betting terminals, but there are people who are addicted to gambling. We had a case in North Yorkshire where a person had more than 400 FOBT pay-out receipts, totalling some £36,000, in his pocket. My goodness, he is a lucky boy. I don't know how he managed to win £36,000 in such a short time, but it marks up the suspicion that many people have. It is interesting that the bookmakers are still lobbying against inclusion in the EU's fourth laundering directive, which will require customers who have staked more than £1,500 to identify themselves.

Fixed odds betting terminals may be costing people with gambling problems in the region of a quarter of a billion pounds a year. That is 23% of the gross gambling yield. In the last 12 years, more than 33,000 of those high-risk casino gambling machines have gone into shops in Britain's high streets. They are clustering in the high streets of some of the most deprived towns in the country. The people who can least afford this are, unfortunately, the people who are spending their wages and their small amounts of money on it. Legislation that provides for £100 per spin gaming machines at easily accessible high street locations is not responsible gambling legislation. Gamblers are spending nearly £1 billion a week on high-stakes gaming machines, Government figures show. That is coming straight from Government; that's what they are telling us. More than £50 billion was pumped into highly addictive fixed odds betting terminals in the last 18 months, despite—I say this with respect—a supposed Government crackdown. The machines have been dubbed the crack cocaine of gambling. That is how serious the issues are.

As you know, Mr Mearns, I have managed to galvanise more people. I have gathered more names since the last time the application was submitted to you; there are 21 names now. They are from all the major parties: Conservative, Labour, the Lib Dems, the Scots Nats, Plaid Cymru, the SDLP, the Ulster Unionist party and, obviously, my own party. I am conscious that not every person in the House agrees with my position on fixed odds betting terminals. One particular person, whom Members here will know—Philip Davies—has a different opinion. He thinks the legislation is too tight and has some concern about that. I would suggest the debate will bring people who favour more legislation and

perhaps those who have a different opinion. There is nothing wrong with a bit of good wholesome debate; that's the way it should be. I don't have this person's name on the application, but he said to me, "I hope you're not going to push this." I said, "Well, actually, I'm going to ask for a debate on it," and he said, "Well, I'll be down then." I do not have his name on the application. I wasn't sure whether that was appropriate, by the way. That is why I never asked him, but he told me he was coming anyway.

Those are the reasons why I have asked for the debate. I feel this is a burning issue in many places. It was interesting that when I spoke to every one of the MPs, they said, "This is a big issue in my constituency." I think it is an issue that will bring interest to the debate, bring interest to Westminster Hall, where we hope to have the debate, and perhaps bring some opinions that we do not agree with but that people are perfectly agreeable to putting forward.

Chair: Thank you very much.

Q16 Bob Blackman: Jim, this issue has been debated in Parliament before, as you well know. I am concerned that you are asking for only 90 minutes on a subject that, as you have already outlined, has a huge number of ramifications. Whether you're for or against this is irrelevant in that respect. Also, you are asking for a 90-minute debate that seems to be a general debate without asking the Government to do anything or bookmakers to do anything. You are not asking for any action to take place, yet you have highlighted a number of concerns. Obviously, your application is your application, but it seems to me that such is the subject matter that—I haven't added up how many speakers you have, but already a 90-minute debate is not going to leave those speakers any time at all to contribute after you have opened the debate for a reasonable time and had an Opposition and Government Front-Bench position quoted on this. I guess my question is: do you want extra time and are you considering what action you want to see happen in the future, in which case why is there no motion?

Jim Shannon: I would be quite happy to accept more time. I suppose my expectation was for 90 minutes, but I think you're right, Bob. I agree with you that this is an issue that will bring interest. The number of people who have said "This is a fantastic burning issue in my constituency," makes me think that. So if the Committee is of a mind to agree to a Westminster Hall debate for three hours, if that is acceptable, I would be more than happy to agree to that.

I am very conscious that when you bring forward an application, you outline what you want to see changed. I am quite happy to do that, but I am also very conscious that in the debate, our opinions will come forward in relation to that. Maybe I just see it differently, but I think that when we go to Westminster Hall, we put forward what we would like to see happening, but we can't actually change it in Westminster Hall. That is the point I am trying to make. How do we raise awareness? I think the debate will do that. I deal with debates constructively, as you know. I try to look for a purpose. I am hoping that the Government will say, "Yes, this is something that we need to do more of."

In the last Parliament, I tabled an amendment to the Gambling Bill. The amendment was supported by the Opposition and was lost in the Commons but when the provision went to the House of Lords, it was overturned and came back the way we wanted it. So we did make some changes, not directly in the House of Commons, but through the House of Lords. Unfortunately, I think fixed odds betting terminals seem to have slipped in on the back on this. We need something harder and firmer. I can't change that in Westminster Hall legislatively but I have to start the process somewhere and the process has to start at this point.

Q17 Chair: Jim, it would not be the first time that we have started off exploring an area of policy within a general debate in Westminster Hall, and a Member has brought it back to us looking for Chamber time subsequently. If you feel it is appropriate from your perspective to start this off with a general debate in Westminster Hall and see what response you get from Ministers, you can always come back to us at another time.

Jim Shannon: There are much more learned people in this Committee—yourself, Chair, and the members of your Committee—than me. I did not know whether it was appropriate or in order to seek a debate in the House of Commons but if it is in order, I could firm up the proposal a bit.

Chair: I should declare an interest. It is not a personal interest, but the national audit centre for Ladbrokes is in my constituency. An awful lot of their business is based on the high street through these fixed odds betting terminals. I do know a little about what goes on. I have heard admissions from people within the industry—from representatives of the betting industry generally—that just having four fixed odds betting terminals, which is the maximum allowed in each shop, is enough to open a shop on its own because of the amount of revenue that they generate. It is a matter of interest from that perspective.

Q18 Gavin Newlands: Mr Blackman rather stole my thunder. That's alright—you've seen a copy of my notes. You now have 21 names and it would seem to me to be too many to participate in that debate. I know two Members of my own party who are extremely interested in this issue and who have done work on it, and they are not on your list so that would be another two to add to your list. It seems that the issue is crying out for a motion to ask the Government to do something, but the question is whether the nuclear option—asking to ban them outright—or perhaps a set of regulations would be more apposite. In my opinion, that would be the best way forward.

Jim Shannon: Thank you very much.

Q19 Mr Hollobone: It seems that there are two problems with your application, Jim. One—and this seems to be the theme of today—is that there are not really very many Conservatives on your list. Remember Bob's point earlier on: you do not need to have Conservative Members who agree with you. I would have thought that on this issue, you need Philip Davies' name on your list because he is going to be there.

Personally, as this is an important issue that has been debated before, I would have thought that you are really after a three-hour debate in the Chamber with a motion to—I don't know—limit the number of fixed odds betting terminals to two per outlet or whatever it is. You would then have a real ding-dong debate and a vote. Personally, I think this issue has already gone beyond Westminster Hall, because it has been raised before in the Chamber. That is just my view.

Jim Shannon: I appreciate that. I have written down the names of four others who are probably opposed—not Philip Davies, by the way—and they are John Glen, David Burrowes, Jeremy Lefroy and Julian Lewis. They are potentials, but I haven't had the chance to see all four of them. I am keen to get their support to add to the names I already have. The more I listen to you, Mr Chairman, and the members of the Backbench Business Committee, the more I think I should seek a three-hour debate in the Chamber. I am quite happy to formulate a wording and seek the other names. I will ask Philip as well, because he will be there anyway.

Q20 Mr Hollobone: Can I point out how the procedure works for a 90-minute debate in Westminster Hall? Were you to speak for 20 minutes, the Front Benchers would have 30 minutes, so that leaves just 40 minutes for everyone else. If all the speakers you have listed spoke, they wouldn't have two minutes each.

Jim Shannon: Can I ask for some direction, Mr Chairman, about how I should proceed? Should I go and seek the other names and then furnish the Backbench Business Committee with a motion?

Q21 Chair: I want to clarify something. Philip, you usually have archival knowledge of these things; have we actually had a debate in the Chamber on this subject in this Parliament, since 2015?

Mr Hollobone: No, I don't think so.

Chair: That might be a get-out clause.

What we can do formally today, Jim, is alter your application so it is one for a three-hour debate in Westminster Hall, because I don't think we have had a debate on this in the Chamber in this Parliament. It is a good starting point in terms of raising the issue.

Jim Shannon: So, can I just ask about the possibility of getting it in the main Chamber?

Q22 Chair: I would say we should see how it goes in Westminster Hall. If there is enough interest, depending on the Government's response, you might be able to come back to us at a subsequent stage.

Jim Shannon: Do you need me to do the wording? Perhaps not.

Q23 Chair: The only thing is, in order to be fair—as we try to be across the board—if you could get a couple of additional Conservative names, that would be extremely useful. You can just feed them into the Clerk.

Jim Shannon: I will do that. Thank you very much.

Chair: Thank you very much indeed, Jim. That concludes the formal business of listening to applications from Members.