

Backbench Business Committee

Representations: Backbench Debates

Tuesday 25 October 2016

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Watch the meeting

Members present: Ian Mearns (Chair); Bob Blackman; Kevin Foster; Gavin Newlands; Mr David Nuttall; William Wragg.

Questions 1-14

Witnesses

[I](#): Kelvin Hopkins.

[II](#): Melanie Onn, Ms Margaret Richie, Martin Vickers and Dr Eilidh Whiteford.

[III](#): George Kerevan and Michelle Thomson.

Written evidence from witnesses:

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Kelvin Hopkins made representations.

Chair: Good afternoon. Welcome to the Backbench Business Committee. We have three applications this afternoon. The first application is being fronted up by Mr Kelvin Hopkins and is on the future of the Post Office. Over to you, Kelvin.

Kelvin Hopkins: The essence of the concern is expressed in early-day motion 571, which has gathered 25 names so far, and which relates to the closure of 60 flagship branches of the Post Office, the loss of 2,000 jobs and the closure of its defined benefit pension scheme, which I think is very significant, too. It is clearly the opposite of what the Government were saying in recent times, namely that the Post Office should be a front office for Government to help its future. That all seems to have gone by the wayside now. We think there is a crisis that should be properly debated in the House. I would be very grateful if the Committee would consider that request favourably.

Chair: Thank you very much indeed. Any comments or questions?

Q1 **Bob Blackman:** Just one question: which Department do you see answering the debate?

Kelvin Hopkins: I would guess it would be what used to be BIS, or BEIS as it is called now.

Q2 **Mr Nuttall:** I think the application is in order and I thank Kelvin for his application. It seems to me to be in order.

Q3 **Chair:** The fact that you have applied for a 90-minute debate means you will more than likely be allocated a slot in Westminster Hall, because we find it much more difficult to split up Chamber time into those sort of slots. I take it that you would accept the Westminster Hall debate?

Kelvin Hopkins: Yes. Obviously I would prefer a longer one in the Chamber but 90 minutes in Westminster Hall would be acceptable.

Q4 **Chair:** And for the sake of argument, if a slot on Thursday 17 November was offered, could you accept that?

Kelvin Hopkins: I am sure my colleagues and I could, yes.

Q5 **Chair:** That is a "what if?" though, okay?

Kelvin Hopkins: Yes, okay.

Chair: Thank you very much. That is it; your ordeal is over.

Melanie Onn, Dr Eilidh Whiteford, Ms Margaret Ritchie and Martin Vickers made representations.

Q6 **Chair:** This afternoon, you have an application for a debate on the future of the UK fishing industry. Will you quickly outline the reason for the application please?

Melanie Onn: I am delighted to be here. Over the course of the past few months, fishing has proven itself to be of major national interest. My colleagues and I have been in debates on the topic regularly. I attended a



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debate for the first time last year, but other colleagues have previously attended an annual debate on the future of the UK fishing industry. Now, more than ever before, the issue has become incredibly prominent thanks to the EU referendum, in which it was a central tenet of argument and debate. It captured the visions and ideas of many coastal communities and port areas.

We will be in incredibly uncertain times over the next couple of years, and all those port constituencies in particular will look to this place to put the future of the UK fishing industry at front and centre. It is about not just catching, but manufacturing and producers. The subject relates to a wide range of discussion points and debate. As you will see from the application form, we received many supportive nominations from across the House.

Ms Ritchie: I support Melanie. I have two fishing ports, Ardglass and Kilkeel, in my constituency of South Down in Northern Ireland. Undoubtedly, I have participated in the annual debate on fishing since I entered the House, and particularly in the yearly debate on quota allocations. This year, the topic is much more compelling as a result of the EU referendum and the position of fishermen. They feel that they have been beset by regulations, but there is no doubt and no question that the referendum result will have an impact not only on regulations on quota allocations, but on the local economic base of fishing on the east coast of Northern Ireland. Therefore, it is pertinent that we are given the opportunity for a debate this year.

Dr Whiteford: It is hard to identify any UK industry that has more at stake in the next few years of negotiations than the fishing industry, which is a multi-million pound industry employing thousands of people. In this House, we have limited opportunity to hold Ministers account for it as no Government time is allocated to debate fisheries. We also have quite limited opportunities at Department for Environment, Food and Rural Affairs questions, as all agricultural, food, rural affairs as well as environmental issues are covered. Needless to say, it is quite hard to get much airtime to raise issues that are only becoming more acute.

Clearly there are some big opportunities ahead for the fishing industry, but there is also a great deal of complexity and some significant risks for some sectors of the industry. It is more important than ever that we have the opportunity for a proper debate in which we can talk to Ministers about the implications for all our coastal communities.

Q7 **Chair:** And now, the voice of Cleethorpes. Martin—over to you.

Martin Vickers: Well, the voice of Cleethorpes is obviously in support of Grimsby, especially as a bit of Grimsby docks—the posh end of course—is in my constituency.

We traditionally have the debate on the fishing industry at this time of the year, as has been said, to coincide with the Agriculture and Fisheries Council. It is particularly important this year to try to identify not only the uncertainties but the opportunities of Brexit; I have spoken to members of



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the fishing industry who genuinely see an opportunity. The fish processing and seafood industry is vital to north-east Lincolnshire, and currently an industrial dispute in Iceland is affecting supplies to our industry. The matter is crucial, and an opportunity to press the Government on all those issues is important.

Chair: I take it that that is the country, not the freezer stores.

Martin Vickers: Yes, indeed.

Q8 **Mr Nuttall:** I recall that, when this Committee was established, several annual debates were swept away in order to provide time within the parliamentary calendar to be allocated for the use of this Committee, one of which was the annual fishing debate, which Melanie's predecessor in title used invariably to take part in. I therefore think that we—or I, personally; I do not know about the rest of the Committee—will look sympathetically on this application, for that reason: that the annual debate no longer takes place, and unless this Committee allocates time for such a debate it will not take place. I have listened carefully to what has been said and I am so minded.

Q9 **Gavin Newlands:** I agree with you, because I do not think there is anyone on the Committee who does not think this is an extraordinarily worthwhile debate to be had at this point, when the Government are—let us say, charitably—putting together their plan for Brexit negotiations, etc. I only have a quick question, given it is a general debate and with other issues we would generally be looking at perhaps Westminster Hall, and keeping the Chamber for substantive motions—however, this is obviously an important issue. My question is what is most important—the timing of the debate or the location of the debate, if it boils down to that, given that we have got a number of debates on the slate already?

Melanie Onn: I appreciate that there is always going to be pressure on the main Chamber. Last year we held it in the main Chamber. I think this year issues are even more pressing, and people will expect it to have the Floor of the House. Therefore I request, respectfully, if it could at all be accommodated, that we have it in the main Chamber. It would be greatly appreciated.

Q10 **Chair:** I think the point that Gavin was making was is there a particular time sensitivity, in terms of before the official fisheries Council meeting.

Dr Whiteford: Yes, before the Council. While we are still part of the EU I think it is really important that the voice of parliamentarians is heard in advance of the crucial negotiations that are traditionally held in December. In terms of Melanie's point about the Chamber, I think that is really important. This is always a very heavily subscribed debate. I know I have been very frustrated in the past that the time limits that have had to be imposed in that debate are often quite ruthless. It is very hard to get air time to discuss these issues. For such a big important industry that gets so little Floor time in the Chamber it is very important that both the timing and the location are taken into account.



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Ms Ritchie: The Chamber, preferably—but also timing is important, in that we would want it in advance of the annual negotiations in Brussels, which usually take place around about 18 and 19 December. We want to be able to influence the Minister who will be at the negotiating table to influence the Commissioner, and others who are participating, on the need to protect both the onshore and the offshore fishing industry.

- Q11 **Bob Blackman:** Obviously, I have every sympathy, because this is literally an annual debate that takes place before the Council decides on fish quotas and other things. I just wonder if there is an ask from the fishing industry now on what should happen under Brexit, and, if there is an ask, whether it would be better to have a motion, which would call on the Government to do certain things, which would then be a focal point for the fishing industry to lobby in support of, rather than, as is usually the case, a very well subscribed debate—everyone putting their point of view from their own particular perspective. Maybe this needs a bit more focus. Whether it is this year or next year I leave it to you guys, because, coming from an urban seat, we consume lots of fish but we don't catch it. I just wonder if that might be something you would consider.

Dr Whiteford: I think there are very different requests coming forward from different parts of the industry. It is a very diverse sector; so there will be, certainly, lobbies within that with clear asks. When the Brexit negotiations are a little more transparent and we know what we are actually dealing with, the industry will be in a much clearer position to articulate realistic asks across the board. At this stage, I do not think we have heard enough to have a clear steer on that, but I don't know what other Members feel.

Melanie Onn: I agree. I have had communications from various elements of the fishing industry in my constituency, and they are making some quite grand assertions, but on what basis they are making them, I am not entirely sure, because the information that is out there is relatively limited. Obviously, some of that is conflicting. Until they know the parameters on which negotiations will take place and where fishing will fit into the negotiations, it is very difficult to put in a request at this time, although I appreciate the point that you make.

Chair: Thank you very much. You have brought significant “mussel” to the debate and you have warmed the cockles of the Committee's heart!

George Kerevan and Michelle Thomson made representations.

- Q12 **Chair:** The topic is the creation of a commercial financial dispute resolution platform.

Michelle Thomson: That's a toe-tapper!

George Kerevan: I will explain all. Most MPs, if not all, have had a big postbag full of complaints from constituents regarding the legacy of mis-selling to small businesses. We have had a number of debates, campaigns and all-party parliamentary groups. We have had some good, well-subscribed debates in the House, and within the last year we have also



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had a debate on the Financial Conduct Authority—the main regulator—to try to expose some of the weaknesses of that organisation.

The problems remain, the issue remains, and I have to warn you that the worst is yet to come. The FCA will, probably early in the new year, publish its report on the Royal Bank of Scotland's Global Restructuring Group. There is prima facie evidence to say that it took a lot of distressed small businesses and put them into receivership deliberately in order to realise the assets, in order to strengthen the bank's cash position.

The generic issue is that the disputes procedures are ad hoc, very weak and clearly biased in favour of the large banks, just because of the nature of small businesses; and in many areas of the United Kingdom, the banks have already signed many local solicitors on to their books, making it extremely difficult for constituents to find a lawyer if they wish to go beyond the disputes procedure.

What we are seeking to do through the APPG and this debate is to open up discussion of a generic solution, a permanent solution, to the disputes procedure, which would be on a statutory basis and would seek to redress the balance between small businesses and the banks. That is why we have produced a rather technical motion. It's not quite as sexy as some of the worthy motions that you have been asked to allow Members to debate, but we put it this way because we need to get the ear of the Treasury and Government and we need to make it plain that the new head of the FCA, Andrew Bailey, has at last admitted clearly that the current system of redress is not fit for purpose and something needs to come. But it cannot come just from the FCA; there has to be some initiative within the Treasury and Government, so we have tried to lay out the issues in a broader fashion.

The aim of the debate is to raise this issue up the agenda, which is why I think it is important to have it in the main Chamber and have a substantive motion—so that we can draw senior Ministers in to reply. I think the timing is influenced by when the FCA might produce its report on RBS. It would be good to get in ahead of that, if for nothing else than to try to force the pace of the FCA. It is well over a year behind when it originally said it would publish that report, and we do not want any more foot-dragging.

There is interest from my colleagues on the Treasury Committee. Helen Goodman and Steve Baker send their apologies: they could not come to support me, but are very anxious that we have the debate. I think past practice shows that this subject, given Members' postbags, will produce a lot of interest. MPs have to make the running on this, which is why the debate is important.

Michelle Thomson: The case for the debate has been very comprehensively covered by George. I am here in my capacity as a member of the Business, Energy and Industrial Strategy Committee, because at the very heart of this it encompasses small businesses that have been affected. I made a joke at the beginning—"That's a toe-



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tapper”—and I think in some respects that is part of the challenge, because we in the House can find it easier to have somewhat populist debates. For many people and, indeed, for many MPs, this is quite an inaccessible topic. I sometimes suspect that they kind of go, “Well, that’s quite complex; I might not go there”, but in reality, at the back of that, this is absolutely about the small businesses in our communities. For every small business it has happened to—perhaps being put into receivership—that potentially leaves a small shop lying empty on one of our streets. That obviously has an impact on the supply chain and obviously has an impact on people’s lives.

We need to understand the depth and breadth of that systematic bad behaviour by banks, which has occurred all the way across the UK, hence George’s idea to really try to get something that is much more far-reaching than a short-term ad hoc solution to address it. As I say, by necessity I think the debate will stretch into fairly technical matters, but it is vital that we hang on to why we have to care about these sorts of thing. Personally, as I know from my own postbag, I have had so many people writing in about this, almost in desperate hope that somebody will take them seriously. I think we failed them before with the interest rate hedging products that we came up with, which were really not a fit-for-purpose solution. The last thing we want to do is to look down the barrel of another issue with RBS, as George has indicated, and goodness knows what is coming on beyond that. These are systematic issues within our financial and banking system.

Q13 Chair: Is there a shortage of Government Back-Benchers, in terms of the application?

George Kerevan: That is not my impression from previous debates. Certainly, I know that Steve Baker is going to round up a lot of support from his side of the House.

Q14 Chair: If required you could rustle up a few more names?

Michelle Thomson: Definitely.

George Kerevan: Absolutely.

Chair: Thank you very much indeed. That concludes the formal part of today’s business. We will now go into private session. Order.