

Backbench Committee

Representations: Backbench Debates

Tuesday 20 February 2018

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Watch the meeting

Members present: Ian Mearns (Chair); Bob Blackman; Patricia Gibson; Alex Sobel; Mr William Wragg.

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Witnesses

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Written evidence from witnesses:

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Jim Shannon and **Mary Glindon** made representations.

Q1 **Chair:** Good afternoon and welcome to the Backbench Business Committee. We have quite a lot on the stocks this afternoon, but due to some special pleading we are going to let our season ticket holder go first. Jim, your application please.

Jim Shannon: You are most kind, Mr Chairman. I thank you and the Committee for your kindness. You know the reason why.

The topic is very simple: "That this House has considered how the UK can advance the right to freedom of religion or belief at the 37th session of the UN Human Rights Council." The request is for a debate at any time in the period from 26 February to 23 March, when the 37th session of the UN Human Rights Council will be on. As you can see, a number of MPs are interested and keen to participate in the debate. We seek an hour and a half in either Chamber. I am always aware that you have discretion over both Chambers, Mr Chairman, and I would be more than pleased to have the debate in either.

The UNHRC is an intergovernmental body in the United Nations system that is responsible for strengthening the promotion and protection of human rights around the globe and for addressing human rights violations and making recommendations. It is important that we have an opportunity in the House at the same time as the UNHRC meets to hammer home—I use that phrase in the kindest and subtlest way—the issue of human rights across the globe. The debate is also important because it is not every time that we have the opportunity to address these issues here on the United Kingdom mainland during a relevant session of the UNHRC.

There are many human rights issues across the globe. The Rohingya Muslims in Myanmar and the Yazidis in Iraq have suffered enormous violations of their human rights, and there is the issue of the Baha'i faith in Iran. We have tried to highlight some of those issues through questions to the FCO and during business questions on Thursdays. We are very keen to have the debate so that UK parliamentarians have an opportunity to highlight those issues. Roughly 80% of the world's population are in what would be termed areas of persecution.

That is my request. I am pleased to have my colleague, Mary Glindon, with me. She may want to make a contribution, too.

Mary Glindon: Very briefly. There is not much I can add to what Jim said, except to emphasise the timeliness of the debate because of the UNHRC session. We are both on the all-party group on the Baha'i faith, and we have been focused on that because of the death sentence that was given to Mr Haydara. We heard at our last meeting that a number of people of that faith have been threatened with arrest warrants in Yemen, and some have already been arrested. I asked why, and I was shocked to be told that the warrants said they had been issued because people had been kind and considerate to others. We need to be able to get those things out and say them in a debate, especially ahead of the UNHRC session. It is



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shocking that people are being arrested because they are good. Despite the state the world is in today, I think people would be particularly shocked to hear things like that, and it would be good to be able to put them forward in a debate.

Q2 **Chair:** Thank you very much. Do you want to add something, Jim?

Jim Shannon: No, Mr Chairman. If you and the Committee are happy with what I have said, that is our request.

Q3 **Bob Blackman:** On your application, you have 22 potential speakers. I gently suggest that, although your application is for 90 minutes, if that number of speakers is genuine, you are going to need a three-hour debate to cover such a wide range of topics.

Jim Shannon: Yes. I am not asking for a whole lot. I thought 90 minutes would be a simple request. If the Committee were generous enough to offer three hours, we would be generous enough to take them.

Q4 **Patricia Gibson:** You will know that the parliamentary events put on by Open Doors, which cover just one aspect of what you are covering here, are hugely popular among MPs. Given that you are covering the whole gamut of freedom of religion, I think that if it was a 90-minute debate, some people who wanted to speak would be excluded.

Jim Shannon: Yes. Give us four or five hours, Mr Chairman, and we'll jump at the chance. But we'll settle for three.

Chair: My colleagues are being generous with time that we might or might not have.

Jim Shannon: I appreciate that.

Chair: Thank you very much. You may now flee back to the Chamber, Jim.

Sir Edward Leigh and Dr Julian Lewis made representations.

Q5 **Chair:** The plan of attack this afternoon was first to take in order the estimates day debate applications, so that is what we will now do. This is for next Monday and Tuesday and there are four three-hour slots. We have six applications, and first up is Sir Edward Leigh with the Ministry of Defence.

Sir Edward Leigh: Good afternoon. May I give you a bit of history around this estimates day debate? When I was Chair of the Public Accounts Committee I was struck by how good our post-facto consideration of expenditure was, but we were very weak as a Parliament on budget consideration. I started a campaign, which I pursued when George Osborne asked me to be the independent adviser to the Treasury, and after that I did a report for him about actually discussing estimates on estimates days. I did that report with our former colleague, John Pugh the Liberal Democrat MP, and he actually stood up on an estimates day and started talking about estimates, but he was ruled out of order by the Deputy Speaker. We carried on the campaign, and I got on the Procedure



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Committee and persuaded it to take this up. They have followed this through, and as a result, the Government have conceded that we should have these two estimates days not just to talk about policy matters, but to talk about estimates. I thought that having campaigned for about 10 years on this, the least I could do as a matter of politeness was put in for one of these debates. I think it will be an interesting novelty that Parliament talks about money, and the importance of money.

It then occurred to me to ask whether there is any subject more important than defence, and it seems that the whole debate around defence revolves around the question of money, and particularly the vexed issues of whether we should spend 2% of our gross national product on defence, whether we are spending it, whether it should in fact be 3%, and whether we are over-committed. I discussed that with my colleague, the Chairman of the Defence Committee, who I am glad is supporting me, and perhaps he could say a word about the importance of this issue regarding money and defence—after all, he is the expert.

Dr Julian Lewis: It is a pleasure to be here to support Sir Edward Leigh. Sir Edward and I have campaigned side by side on defence issues since the autumn of 1981, so we are fairly used to the way each other's minds work, and I presume that was why he took the initiative in approaching me to support this application. I am pleased to see here James Davies and Anna Dickson, formerly of the Defence Committee staff, who would be able to confirm that the first time we had a debate on a subject analogous to this was 27 October 2016, when we secured a debate in Westminster Hall on the substance of the second report of the Defence Committee of that Parliament, entitled "Shifting the goalposts? Defence expenditure and the 2% pledge". In that debate in October 2016, the notion of spending not a bare 2% but fully 3% of GDP was first aired. Why 3%? Because that is the figure that we continued to spend not only after the cold war ended, but right through to the middle of the 1990s after all peace dividend cuts had been taken. The whole parliamentary focus seemed to be about whether we would meet the bare NATO minimum of 2%, whereas in reality, we had come down from the peacetime norm of 3% of GDP. Why is it important to have another debate on this subject? Because of the progress made since the last debate.

Before that debate in October 2016, no one talked about 3%. Throughout his tenure as Defence Secretary, which was for several years, Sir Michael Fallon constantly talked up the amount of expenditure on defence, but within a very short time of having ceased to be Secretary of State for Defence, he produced an excellent article saying that we should be spending at least 2.5% of GDP on defence by the end of this Parliament. So opinion is shifting. It is shifting as a result of something that was begun with a debate that was granted. We seek another debate and we are sure that there will be no shortage—particularly in the light of the intense controversy about the threat to cut the Royal Marines' amphibious capability, for example, which dominated the news cycle only a couple of weeks ago—of defence-minded colleagues from all parties who would want to come forward and participate.



Q6 Bob Blackman: There was a very tight timescale for responses to this. At the moment you have only five people in support of the application. What efforts have you made to secure other people as supporters? We need to be in a position of knowing that a debate will last three hours and would not be undersubscribed.

Sir Edward Leigh: If you only want to offer us one-and-a-half hours, we can put our case forward. I entirely apologise to you, Mr Blackman. I could have got people.

Q7 Bob Blackman: The timeframe was extremely difficult and it was the first time we have done this, so we understand.

Sir Edward Leigh: We have had the recess. I am sure my colleague is right; this is a vital issue and I think there would be no difficulty at all in filling the space, but if you only want to give us one-and-a-half hours, we will settle for that. I have no doubt. I have been remiss—my apologies. I could have gone out and got 10 or 15 people, but I thought the main thing, given the short timescale and given that I have been campaigning for this for years, was to get the application in—to be quite honest with you, that is what I have done.

Chair: The application seems entirely appropriate. It is one of six and we have to put them into priority order for a decision at the end. Thank you very much.

Sir Hugo Swire made representations.

Q8 Chair: Next up, we have a substitute. The application was submitted by Richard Benyon. In his place, we have Hugo Swire.

Sir Hugo Swire: Forgive me, as I have not done this before, if I commit some hideous solecism. I am here instead of Richard Benyon who unfortunately cannot be here; I think he is on a NATO parliamentary visit at the moment. He has asked me to step in.

I thought this was an application worth supporting. There is a lack of clarity at the moment in terms of the Foreign Office imprint globally. That has never been more important than it is now, as we are coming out of the EU—not least how we recharge our embassies in our former EU partner states. It is extraordinarily important that that is closely aligned with our efforts to boost international trade and that we have greater clarity on that.

Also, there are those of us who wish to pursue the issue of HMG's representation abroad and who is in charge of those posts. Too often, it has been the case that in some countries the DFID expenditure is greater than the FCO expenditure, leading to a disconnect between those two Departments of State. It is also quite clear that in some countries we don't really know what representatives are there. There is duplication from the Scotland Office and the Wales Office and all kinds of other Government organisations. So there are those of us who want to hear first-hand what plans the Government have to recharge the Foreign Office and what the budget will be going forward, and who want to get some idea of the



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footprint of what needs to be a rapidly expanded organisation. That is why I am supporting this and I am absolutely convinced that there are others on all sides of the House. I don't think this is necessarily particularly party political. I think it is us all just wanting to have greater clarity on what the Foreign Secretary's thoughts are at the moment.

Chair: Thank you very much indeed.

- Q9 **Bob Blackman:** I notice that the list of potential speakers is very heavy on former Foreign Office Ministers and that there appears to be a gap in terms of other parties. What efforts were made to secure other speakers from other parties, to make a genuine debate?

Sir Hugo Swire: I do not know what the collective term is for a group of former Foreign Office Ministers; I hope it is not pejorative.

Mr Bailey: A rabble.

Sir Hugo Swire: Thank you. I assure you that if we are fortunate in securing any time for this we will make sure that it is not fuelled purely by former Foreign Office Ministers with fixed views. I think it will have broader appeal. I make the same excuse as Sir Edward about this coming quite soon after the recess. I can assure you that we will not want it to be dominated by people who think they know how things should be done.

Chair: Thank you very much indeed. We will be making our determinations at the end.

Layla Moran made representations.

- Q10 **Chair:** Next up we have housing, communities and local government, and Layla Moran, please.

Layla Moran: Thank you very much for allowing me to make this application. I am here essentially on behalf of the Public Accounts Committee, on which I have sat since the beginning of this parliamentary term. It is for an estimates day debate on the inquiry that we held on homelessness—very timely, at the current moment. The inquiry was based on the NAO report that was published back in September and we released our inquiry's report in December. It was a report that focused particularly on value for money, which is why the estimates day debate lends itself so well to it.

The issue driving the current rise in not just rough sleeping but homelessness more generally is wide-ranging. It spans several Departments, not least DCLG, which leads on this. There is also the way DCLG, DWP, the NHS and a number of other Departments work together to drive the cost, in essence, of homelessness down. Currently, the Government spend £1.1 billion on homelessness prevention. The inquiry was fairly damning of the way the Government have been doing it so far, but there is, on the horizon, the Homelessness Reduction Act. So, we felt that this would be a very good time to have a debate about the cost of homelessness to local government and to wider society and to encourage



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the Departments to work together. Many will have seen how it has made front-page news in recent weeks, not least the comments from the leader of Windsor and Maidenhead Council, who ill-advisedly said that he wanted to move homeless people along. In terms of the way the public would see such a debate, I think it would be very well received by others.

On the list of supporters, Gillian Keegan and I co-led the inquiry, so we would want to lead the debate. It is supported by Meg Hillier as Chair of the Public Accounts Committee, but also by Clive Betts—he is Chair of the DCLG Committee and also felt it was worth supporting.

We were in Washington with the Public Accounts Committee last week, so the list of other speakers is who I could get my hands on, but as an indicator of the number of people we think would want to speak in the debate, there have been 92 oral and 210 written questions on homelessness in this Parliament alone, so if anything we would find it tough to fit everyone in. Given that it is a narrow subject, we felt that three hours was the most appropriate time to ask for. The final thing I would say, and I dare not presume anything, is that if there were any flexibility in the date, and if you decided to move it forward, could it be on the 27th, as I unfortunately would not be able to make the 26th?

Chair: Thank you very much indeed.

Q11 **Bob Blackman:** I have to declare an interest straightaway, as the promoter of the Homelessness Reduction Act.

This comes from the PAC. I am not familiar with all the members of the PAC. Are there any other Members on this supporting list, apart from Clive, who are not members of the PAC?

Layla Moran: No. It was, as has been described by previous speakers, literally about who we could get hold of during recess, from Washington, with the time difference and so on. I feel very confident that—

Q12 **Bob Blackman:** The second issue is, have the Government responded to the PAC report as yet?

Layla Moran: We have not had the Treasury minute yet, no.

Bob Blackman: Okay.

Chair: Anyone else, please? Again, Layla, thank you very much indeed. That is an entirely in-order application. Again, we have four slots and six applications. We will have to sort out the priority order later in the day.

Andy Slaughter and **Gareth Thomas** made representations.

Q13 **Chair:** Swiftly moving on, next up is an application submitted by Diana Johnson but spoken to by Andy Slaughter and Gareth Thomas about the Department for Transport.

Gareth Thomas: Mr Mearns, I hope you will forgive us for coming to represent Diana. She is much more articulate than the two of us. I hope



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you will bear that in mind sympathetically in your consideration of this application.

First up, there are 21 Labour, two Conservative and two other Members of Parliament who have indicated an interest in this topic, plus, most recently, Lilian Greenwood, who is the Chair of the Select Committee.

The topic perhaps does not have the political attractiveness of defence, which has lots of sponsors. It certainly does not necessarily have the parliamentary clout of the Public Accounts Committee behind it. It is not related to Brexit, which is all we seem to be talking about at the moment. But how the Department for Transport spends its resources does matter enormously to all our constituents.

You will all know that at the moment there is a lot of media scrutiny about some of the spending decisions that the Department for Transport has made, not least around some of the rail electrification projects that have been cancelled, not only some of the transport investment that colleagues in the north have been calling for, around the so-called northern powerhouse economic review. Some northern colleagues have had the temerity to cast aspersions on the amount of investment they get in comparison to London.

Chair: Outrageous.

Gareth Thomas: Although I am sure they would want to put their case, London colleagues will also want to put a slightly different case.

To be fair, colleagues across north Wales, the south-west and midlands will, I am sure, want to explore the case for sub-regional transport bodies that have the same clout as Transport for London. That is something that Diana was very keen to stress.

You will know as well that there is a lot of interest in the extent to which the Department for Transport is getting on with decisions on Heathrow, about which colleagues have a mix of views. I and my colleague Mr Slaughter perhaps represent opposite ends of that particular debate.

Mr Mearns, you and colleagues will also know that there has been quite a lot of interest in community transport, a much smaller spending area of the Department for Transport but one which nevertheless matters hugely.

While transport is not an immediately attractive subject for an estimates day debate, I hope you will consider it sympathetically, given the range of different areas that might not otherwise get the level of scrutiny without such a debate. Given that Diana has gone to the trouble of quite successfully securing so much support for this debate, I hope you will look sympathetically on at least a three-hour slot and, if you will forgive me for putting in a bid for the Tuesday slot, that would be particularly helpful as well.

Q14 **Chair:** Andy, have you anything to add?



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Andy Slaughter: Chair, I think Diana sent me along to keep an eye on him. She is a very cautious and careful woman, as you know. I do not think I need to add anything other than to say that I do not think Gareth gives justice to the subject by saying that it is rather boring. I do not think it is a boring subject. There are a lot of very big projects going on: HS2, airport expansion and so forth. It is also quite a passionate subject. There are differences of opinion on a regional basis as well, which always makes for a lively debate.

Gareth Thomas: I was merely suggesting that Mr Blackman might consider it boring in the context of the enthusiasm for homelessness that he purports to have.

Chair: We can tell Diana that you really did big up Humberside. In that case, have you got any questions, Bob?

Q15 **Bob Blackman:** It is slightly ironic that we are two London MPs talking about the other regions of the country, but nevertheless, one of the issues here is that, as you quite rightly mentioned, you have to bid for a three-hour or a six-hour debate. At the moment, there are a substantial number of potential speakers for this debate—23, as you have outlined—with a wide range of issues. Presumably, there will be Government MPs who will also want to have their say about many of these subjects. If we allocate a six-hour debate, would you be able to ensure that between your collective powers you will make efforts to get Government speakers and those from other political parties as well?

Gareth Thomas: Diana already has strong support from Sir Peter Bottomley and Andrew Percy. There is support from the Chair of the Transport Committee, which suggests that Government members of the Committee would want to get involved as well. Mr Slaughter has a reputation for being able to speak for at least five hours, so the question, I gently suggest, would be whether six hours would be enough.

Andy Slaughter: I don't think we'll be short of people.

Gareth Thomas: I don't think we'll be short of people either.

Chair: In that case, thank you very much indeed for the application.

Stephen Gethins made representations.

Q16 **Chair:** We move on to Stephen Gethins and the Department for Exiting the European Union.

Stephen Gethins: Thank you. Chair and colleagues, you may or may not be aware that there is a significant debate taking place at the moment about our future relationship with the European Union. As part of that, despite being a relatively new Department, DExEU's expenditure is having consequences right across Whitehall, and we are seeing considerable transfers from DExEU to other Departments. I am asking for the opportunity to debate the costs of Brexit, looking at day-to-day activities, ongoing negotiations, practical spending on transitional arrangements and

other related contingency planning.

I think that this is particularly important, regardless of what side of the debate colleagues sit on. This will be an increasingly important Department, not least over the next six months, and some of its actions will have very significant and far-reaching consequences. It will give us the opportunity to interrogate that a little bit further.

Members will be aware that we have started collecting names last week, and we have Liberal Democrat, Conservative, Green, SNP and Plaid Cymru colleagues who want to speak. I think it is fair to say that we won't have that much difficulty filling up the speaking slots. We have put in for a three-hour or six-hour debate. Given that others have very worthwhile debates, we could ask for a three-hour debate if that is helpful. As a final point, as others have said, we could have a debate on the Monday, but a number of people who have put down their names have asked for the Tuesday.

Chair: I wonder why.

Stephen Gethins: It would be remiss of me not to ask.

- Q17 **Mr Wragg:** Thank you for your application. Given the novelty of this—for the first time, we will be able to debate the actual estimates on an estimate day—and taking into consideration the fact that there have been a number of Backbench, and indeed Opposition Day, debates on this subject, perpetually it seems, how would you justify your application when you compare it with those of us who have come with specific matters to do with the estimates?

Stephen Gethins: Given that this is the first time that we can look at estimates and then interrogate a Department, I think that this is a timeous moment to investigate DExEU. Having looked at some of the transfers that have taken place to other Departments, I think it would be useful to hear what Ministers have to say about them as well. We have the budget just now, we have the estimates day just now, and the next six months leading up to October will be really important. That is why I think now is the time to have this debate.

- Q18 **Patricia Gibson:** I was just going to say that, given that this is the most challenging thing the United Kingdom has faced since world war two, I don't think you will have any difficulty in getting speakers for your debate. Given the impact of the Department and the uncertainty and concern around Brexit—I know my colleague talked about it against other Departments; this impacts right across the board—it is very worthwhile.

Chair: Thank you very much indeed.

Stephen Gethins: Thank you very much, Chair.

Sir Edward Davey made representations.

- Q19 **Chair:** Last but not least, Sir Edward Davey on business, energy and industrial strategy.



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Sir Edward Davey: Thank you very much, Mr Mearns. You will note from my application that I have not yet gone round collecting huge numbers of names. I see that as a weakness. As a strength, I want to congratulate you on proposing estimates days. Back in the year 2000, I wrote a pamphlet about making MPs scrutinise the parliamentary budget system more effectively and it is great that the Procedure Committee and yourselves are now helping to do that. So congratulations—and therefore look on my application that much more favourably.

The reason I wanted to do this is that the Government have done two things that weaken scrutiny of low-carbon energy expenditure. First, we have had departmental changes: in the previous Parliament we had DECC and BIS, and with them coming together there is much less scrutiny of energy policy and expenditure. That is quite a serious change. It means the Select Committee for BEIS has to go over a huge amount of territory and is therefore unable to deal with energy policy and the low-carbon element of it in the detail it was previously able to.

Whether at BEIS questions or elsewhere, energy policy is being weakened by the lack of parliamentary involvement in its development. You may think it odd, but as a former Secretary of State on these issues I welcomed parliamentary scrutiny. I felt it was a way of getting the arguments aired and better understood. That is a problem, and we need to seize every opportunity for these issues to be properly aired and debated.

Secondly, the Government have produced something called a clean growth strategy—about a year after they said they would—that contains some very significant proposals on expenditure. They are quite controversial, and yet, because of what I have just said, they have not been properly debated. Some very big expenditures on the research side for the future of low-carbon strategy, but also for the implementation of strategy, are being made with no scrutiny whatsoever, as far as I am able to ascertain. You will have heard about DExEU and transport; those areas of policy are getting scrutiny, but this area is not.

This is significant across the House, because low-carbon energy expenditure is relevant to all regions of the country. One of the reasons why the transition in our energy system is so exciting is that it is creating jobs in every part of the United Kingdom. Therefore, I think people see a big economic reason for getting involved and trying to argue their case, but also working out the best way of spending that money.

I also strongly think that our energy system is going through a dramatic change, far more so than frankly almost any aspect of industry in the UK today. While that is going on, this place does not seem to be engaged with it. There is no better way, in my judgment, than to look at where the money is going. I would modestly only ask for three hours. I do not mind Monday or Tuesday—I am a very flexible sort of chap. If you would allow it, you would enhance the scrutiny of this subject area, which frankly is seriously lacking at the moment.

Chair: Thank you very much. Are there any questions?



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Q20 Bob Blackman: Obviously, given your wide experience from the Department, having been Secretary of State, you will appreciate these details. You may or may not have heard the other applications, but we have the potential to allocate time for only four of the six. In your own words, why should your debate get priority over the other five?

Sir Edward Davey: Primarily because this area is not being debated in the House. I think that the idea that, for example, Brexit is not being debated does not really hold much water. It is a very important issue, but is getting quite a lot of parliamentary time. I have noticed that transport gets a lot of time because there is one Department just for transport. I was not here for the other applications, but I can comment on those two.

Energy is now, despite its huge importance, subsumed in one Department, which is pretty Brexit-focused, and we are really not getting accountability to this House. I think the fact that we are not getting debates in this area means that this is an opportunity to do so.

The final point, given that estimates debates are about money, is that the amount of private and public money—the private money is often underwritten by policy—that is being spent in this area dwarfs even the money being spent on transport. I will make a slightly political point, Mr Mearns; I am sorry about this. During the time of the coalition, there was an interesting table in a report published by the Treasury, which was looking at the amount of money being spent on infrastructure, whether that was in relation to transport, energy, telecoms or water. The amount of money being spent on energy for the UK was so much bigger than that for all the other areas of infrastructure expenditure put together that the Treasury could not use normal axes and had to have a logarithmic scale. Otherwise, the piece of paper that it had to print it on would have been so big, because the bar for energy expenditure would have been so much bigger than the other bars. So if you are thinking about an estimates debate being used to scrutinise expenditure, which I think is what it is about, there is a hell of a lot to scrutinise.

Chair: Does anyone else have a question? No. Thank you very much. That is the end of the estimates day applications.

Mr Adrian Bailey made representations.

Q21 Chair: We move swiftly on to something more like our normal business, which is the proposed takeover of GKN by Melrose. The presentation will be made by Adrian Bailey. Jack, I apologise. I think you have a Front-Bench portfolio now. Is that right?

Jack Dromey: I do.

Chair: That rules you out of presenting on behalf of the application.

Jack Dromey: Understood.

Chair: I do apologise. But I can see that you are here in support.



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Mr Bailey: Thank you, Mr Mearns. May I say, although he might have been disqualified for the same reason, that Richard Burden has had to go? So as a humble Backbencher, I will do my best to present the case. Before I do so, could I make a declaration? Under a fellowship with the Industry and Parliament Trust, I had a short secondment with GKN about five years ago.

The specific reason for asking for a debate is that there has been a fairly well publicised hostile takeover bid by Melrose, a hedge fund, in relation to GKN. GKN uses as one of its straplines that it is the world's biggest first-tier supplier; and that is no exaggeration. It is a British company with worldwide interests in manufacturing and it is either in partnership with or supplies components to other companies, particularly in the automotive and aviation industries, worldwide. In this country, it employs more than 6,000 people and is at the cutting edge of manufacturing research, particularly in relation to composites in the Bristol area. It is of vital strategic significance to both defence and manufacturing in general here.

There is huge concern that Melrose, as a hedge company, is an inappropriate vehicle for restructuring such a vitally significant manufacturing company. Both defence interests and overall manufacturing interests may not be best served by a hedge fund that is basically looking at reorganising a company in a way that will maximise profits to itself, rather than to the benefit of the host country, if you like, and those others that are served by it. Therefore, it is necessary to have the maximum level of parliamentary scrutiny into the proposed takeover.

There is considerable pressure on the Government to use the powers that BEIS has for intervening where defence interests can be discerned. GKN is at the cutting edge of a lot of defence manufacturing, and that must be a huge concern. We have applied for this debate because I believe that the next stage in the takeover battle will be a bid that has to be in by 9 March, and we would like a debate before then. My previous experience as the former Chair of the BIS Select Committee is that we held inquiries into the Kraft-Cadbury takeover and the proposed takeover of AstraZeneca by Pfizer. At the end of the day, there is no doubt in my mind that the level of parliamentary scrutiny reinforced the position of the traditional British company in its negotiation. In the case of Pfizer and AstraZeneca, the takeover didn't take place, and I think that Cadbury and Britain had a better outcome from the Kraft-Cadbury takeover as a result of our scrutiny than if we had not taken it in. Although I have submitted only a couple of Labour names to support my application, that is largely because they are MPs with a specific role in the motor industry. I have no doubt that there will be cross-party support representing a lot of areas in which GKN operates and is perceived as being important to the livelihood of local communities. We are therefore asking for a debate as soon as possible on this matter.

Q22 **Bob Blackman:** Briefly, you mentioned 9 March as the key date. Is that the cut-off date, or the starting point of discussions or negotiations?



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Mr Bailey: I believe it will be the starting point. It is the date at which a bid has to be put in.

Q23 **Bob Blackman:** Just to clarify, which Department do you think will be answering this debate?

Mr Bailey: I would have expected BEIS to answer it.

Bob Blackman: Thank you.

Mr Bailey: May I just qualify that slightly, because there is an interest in other Departments—indeed, I believe that the Defence Secretary will possibly be answering questions on this at the Defence Committee tomorrow because of the obvious defence interest? I would expect it to be BEIS because it governs the takeover rules, but there are other departmental interests involved as well.

Q24 **Chair:** Okay. In terms of getting other Members to sign up, the application is in, but if you could submit other names, that would be extremely useful. That is something that we do on a regular basis—we accept the application as it stands, but perhaps you can beef it up with other names. We might have time in Westminster Hall on both 1 and 8 March. If there were time to be allocated, would you prefer 1 or 8 March?

Mr Bailey: I think probably 1 March, but either would be okay.

Chair: Thank you. That is very useful. That now concludes our formal meeting. We will now go into private session.