



PENSIONS POLICY DEBATE

Alan Simpson (Nottingham, South) (Lab): Will the Secretary of State reflect on his experience in his previous ministerial post in Northern Ireland, where the orphan funds of banks were subject to the same sort of argument? When it was made clear that the matter would be pursued, the amounts found were 10 times those that the banking and financial services sector predicted—they claimed that only limited amounts would be available. Is it not legitimate to have similar expectations of the scale of the orphan assets that are available in rest of the UK?

Mr. Hain: As we discussed before the debate, I am always impressed by my hon. Friend's diligence and ingenuity in many policy respects. I am happy to pursue his suggestion with him, but I want at this stage simply to describe why I do not believe that the Conservative proposal—albeit made sincerely—stands up.

Mr. David Laws (Yeovil) (LD): I urge the Secretary of State at this early stage not to box himself in through denying the possibility of extending Pension Protection Fund benefits to those in the financial assistance scheme. After all, the Government have made major concessions on that in the past couple of years. Does he know that, according to the Department's figures, the cash costs of extending PPF benefits range from £9 million to £28 million in the next six years? Will he ascertain whether he can find that in his departmental budget?

Mr. Hain: The hon. Gentleman will find that the cost over the period is approximately £620 million.

Mr. Laws: Over six years?

Mr. Hain: Indeed. That is what we have to find to provide for a scheme that is funded and capable of being delivered, not simply an empty promise. The latter would be indefensible given that individuals have suffered so badly. However, I agree that we must show all the ingenuity that we can. I am trying not to box myself in, but to attain the equivalent level of 90 per cent.—or as near to it as possible—that my right hon. Friend the Member for Barrow and Furness (Mr. Hutton) promised when he was Secretary of State for Work and Pensions.

Chris Grayling: I am sure that the Secretary of State is aware that the scheme that we propose is almost identical to that that was used at the time of the Maxwell pension collapse. There is therefore a clear precedent, which worked. However, I expect to meet several pensioners who are affected in the next few weeks. Is he saying that he rejects the option of a lifeboat? Is that the message that I should convey to those people?

The Secretary of State for Culture, Media and Sport (James Purnell): We want one that floats.

Mr. Hain: As my right hon. Friend says in his helpful intervention, we want one to float, not a lifeboat that will sink. We will provide—as we have already provided—unique assistance to those pensioners and individuals and we want to do better and improve that assistance. I shall

shortly describe the solution that the hon. Member for Epsom and Ewell should convey to them, and it is not his solution, which is proposed for sincere reasons—I do not doubt that—but does not stand up. Our solution has a chance of being successful.

Mr. Frank Field: Is it not true that, before the Conservatives tabled the motion, there was agreement across the House that we should use the unclaimed assets of banks and building societies? For some reason, which they have not explained, the Opposition thought that they should use what they call the unclaimed assets of insurance companies, where there are owners—either the policyholders or the shareholders. The Conservatives have unnecessarily muddied the waters and risked breaking up the coalition that was putting considerable pressure on my right hon. Friend. Although he says, rather sadly, “Isn’t a pity the Conservative proposal doesn’t stand up?”, is he not rather pleased that the Conservatives have messed up their hand?

Mr. Hain: My right hon. Friend, in his usual razor-like way, has put the matter in the lap of the Conservatives by showing that their proposal does not stand up. They should genuinely seek a consensus with us about how to resolve the matter. That is what the hon. Member for Epsom and Ewell should tell the individuals who suffered so badly. I know from my constituency, and many others in Wales, just how tragic those cases are. For example, I have talked to former employees of Allied Steel and Wire in Cardiff. They can use no word to describe their horrendous predicament other than “robbery”—the robbery of their pensions, for which they had paid through deferred pay.

I genuinely welcome ideas from all parties, but the lifeboat fund proposal is not a viable solution. However, I believe that there are others and I invite hon. Members, including the hon. Member for Epsom and Ewell, to contribute to the current review that Andrew Young of the Government Actuary’s Department is conducting. I extend the same invitation to my hon. Friend the Member for Nottingham, South (Alan Simpson).

The focus of the review is on making the best use of the remaining assets in pension schemes that are winding up underfunded. The review is considering the way in which those assets, or other unallocated sources of non-public expenditure funding, could be used to increase assistance for affected scheme members.

I assure the House that, if I can increase the amount of assistance available, I will. We must do all we can to help, but we must also ensure that anything we do is viable and sustainable. To propose something that cannot be delivered is not to support those robbed of their pensions, but to sell them short.

The hon. Member for Epsom and Ewell would have people believe that the Government inherited, then squandered, one of the best pensions environments in the world. That was the burden of his speech. Let us test that claim right now.

In 1997, some 2.7 million pensioners were living in poverty, many facing the indignity of living on as little as £69 a week. If there has ever been a crisis in pensions, it was surely then. Many women were prevented from building a state pension entitlement in their own right; carers

were similarly mistreated by a system predicated on a 19th century view of working lives and social relationships; millions were without access to occupational pensions; and the mis-selling of private pensions, overseen by the previous Conservative Government, was a national scandal.

Meanwhile, the exceptional equity returns of the 1980s and 1990s allowed many defined benefit schemes to ignore the rapid rise in the underlying cost of their pension promises. That was compounded by botched policy such as the minimum funding requirement introduced by the right hon. Member for Richmond, Yorks (Mr. Hague), the current shadow Foreign Secretary, which failed to encourage employers to fund their pension schemes properly.

Many firms took the decision in the 1980s and '90s—despite rising liabilities—to take contribution holidays, believing that a bullish equity market would be a long-term trend. Indeed, the Conservative Government believed that, too, as demonstrated by Nigel Lawson's decision effectively to cap pension fund surpluses in 1986. As the Pensions Commission noted: "The deep dip in contributions seen in the period 1988-91... almost certainly reflects the impact of this policy."

This was no Tory utopia, but a Tory fool's paradise, with the Government irresponsible, reckless and complacent in encouraging employer pension holidays. To quote from the 2004 Pensions Commission report:

"When the fool's paradise came to an end... companies adjusted rapidly, closing DB schemes to new members. A reduction in the generosity of the DB pensions promises which existed by the mid-1990s was inevitable."

The stock market fall reduced the market value of pension scheme assets by some £250 billion between 1999 and 2002, and the effect of the package of tax changes on which the Opposition seek to pin the blame was entirely marginal.

Furthermore, the closure of defined benefit schemes and the shift towards defined contribution was not a UK phenomenon brought about by changes made by the present Government. Far from it. Accelerated further by record demographic changes, the effects of the changing environment have been felt right across the world. In the US, for example, the number of defined benefit schemes have halved in fewer than 30 years, while direct contribution schemes have tripled. Australia has seen an 80 per cent. reduction in the number of workers covered by direct benefit schemes since the 1980s.

Unlike the Conservative party, this Government have led the way in responding to the challenges that our pension system has faced since 1997. First, we tackled pensioner poverty. Thanks to the pension credit, winter fuel payments and a 9 per cent. real-terms increase in the basic state pension, we have lifted more than 2 million pensioners out of absolute poverty. The measures in our Pensions Bill will take us even further, with a new settlement for women and carers and a restoration of the earnings link that was removed by the Conservatives in 1980. Secondly, we took action to tackle the loss of confidence in the private pensions market—one reason for that loss of confidence was the pensions mis-selling scandal that we inherited from

the Conservatives. In 1997, less than 2 per cent. of pension mis-selling cases had been satisfactorily resolved; by the end of 2002, more than 99 per cent. of consumers with mis-selling claims had been compensated, with total compensation reaching £11 billion. That £11 billion was the bill for Tory incompetence and Tory injustice over pensions mis-selling.

Sir John Butterfill: I cannot let the right hon. Gentleman get away with his point about 2 million pensioners being lifted out of poverty without pointing out that his definition of poverty is founded on a 1996-97 base—a base that is now 11 years old. If we revert to the current definition of poverty, preferred by the present Prime Minister when he was the Chancellor, only 200,000 rather than 2 million have been lifted out of poverty. It is all smoke and mirrors, I am afraid.

Mr. Hain: I agree with the hon. Gentleman's distinction between absolute and relative poverty. If we take the relative poverty comparison, however, I think I am right in saying that more than 1 million pensioners have benefited.

Through the Pension Protection Fund, the pensions regulator and the financial assistance scheme, the Pensions Act 2004 is helping to respond to the problems experienced by defined benefit occupational pensions and to boost security for scheme members. It is worth noting that the deficits for the 200 largest schemes fell by 40 per cent. in the past year alone. Sustainability and affordability lie at the heart of the long-term settlement in our Pensions Bill and our programme of long-term reform that meets the challenges of supporting an ever-ageing society. The programme offers tomorrow's pensioners the opportunity to plan and save for a secure retirement, and gives today's pensioners the dignity, security and justice they deserve.

I had hoped—and I continue to hope—that hon. Members on both sides of the Chamber, including the hon. Member for Epsom and Ewell, would join us in strengthening a lasting consensus around this long-term reform. However, tonight we have learned only one thing, namely that in reminding the House of their appalling pensions record in government, and by exposing their basic lack of substance on the issues that matter to the British public, the Opposition have shown that they are not yet ready for government. They have demonstrated the emptiness of their promises, and their crocodile tears will fool no one. It is time that the Opposition were pensioned off. Pensioners know where they will get justice. It is where they always have done: from Labour, and Labour alone. I invite my hon. Friends to reject this opportunist motion, and to vote for the amendment tonight.

Several hon. Members rose —

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench contributions?

Alan Simpson (Nottingham, South) (Lab): It is quite sad that neither the motion before us nor the amendments on offer are particularly worth voting for. However, they all raise important points relating to our present framework of meaningful pension provision that need to be addressed. There are also points that need to be dismissed. I am saddened that the

Conservatives continue to run with the idea of the £5 billion stealth tax on pension funds without making any reference to the far greater loss and act of theft that took place in 2002, when a complete collapse of stock market values wiped £250 billion off the value of UK pension funds. It was not accidental that we got into that mess, as I shall explain in a moment, and we must ensure that it is not repeated.

Part of the muddle that we are now in is predicated on the legacy of pension contributions holidays. Those holidays were never on offer to workers themselves. A perverse contribution system was created whereby the Conservative Government introduced a pay-if-you-wish basis into pension schemes. That fundamentally broke the contractual link—the social contract—that had existed more or less since the end of the war, when it was assumed that it was an employer's duty to contribute to high-value, quality final salary pension schemes in the UK. The erosion and disappearance of that sense of duty alarms me, and that issue must be part of any new approach to a meaningful pensions framework for the 21st century. Unless we take that into account, we will find ourselves once again locked into the muddle that was created in 2002. Members on both sides of the House have pointed out that we are living longer, that this is not so much a political issue as a biological one, and that during our working lives we will have to contribute more to our pensions pots if they are to provide us with meaningful pensions throughout our retirement years. However, if we could turn the clock back to 2002 and double the amount of money that went into the UK pensions industry, we would simply have doubled the amount of money that was lost. That is because we were locked into a pensions framework that had become obsessed with the pursuit of equities. More money was chasing equities than there was meaningful value in the equity market.

It was a certainty in the pensions industry that the bubble was going to burst. The only gamble was knowing when it would happen. When it burst, what disappeared was the real value of people's lifetime savings, and the contrast between our position in 2002-03 and our position 40 years earlier is stark. In 2003, 71 per cent. of pension savings were invested in equities, and 17 per cent. in UK national Government bonds. In 1962, by comparison, 51 per cent. of pension savings went into UK Government bonds. Those savings went into public investment in our infrastructure, but the truth about today's national requirements for reinvestment in infrastructure is that we would not need a single private finance initiative in the land if we returned to the prioritisation of meaningful investment in current and future infrastructure needs, rather than pursuing speculative activities on casino markets that will collapse at some point. The disappearance of that sanity and safety net provision is a tragic weakness—an Achilles heel—in the framework of pension thinking.

We have to restore confidence in our ability to direct our pension savings into secure pensions that will deliver not only pensions sufficient for people to retire on but quality-of-life dividends every year rather than speculative dividends in pursuit of goods that may, or may not, have any real value in the global marketplace. We must tackle, too, the issue of people whose pensions have been stolen. I am grateful for the Secretary of State's offer of a further meeting, because every time that Government claims are tested by independent judges in courts in the UK or in Europe or by the ombudsman, they do not stand up. We must bring some honesty to our claims because, so far, that has been missing. It is not true to say that the financial assistance scheme will deliver 80 per cent. of the core pension, because in practice the core pension deducts all

inflation linking that workers were promised; it deducts the tax-free lump sum that they were promised; it deducts the revaluation that they were promised; it deducts many benefits to which widows were entitled; it deducts ill health and early retirement benefits; and it ignores the retirement age that was built into the scheme. Once all those entitlements have been deducted, 80 per cent. of the lowest figure is taken and 22 per cent. of tax is deducted at source. In reality, therefore, the 80 per cent. claimed figure becomes much less.

In practice, that has to be tested against the experience of those who are entitled to full payments under the financial assistance scheme. Of the 125,000 people whose pensions were stolen, 10,000 have reached retirement age, of whom only just over 1,000 have received anything. So far, payments amounting to £4 million have gone to pensioners, but £5 million has gone to the people administering the scheme. It is barking mad to run a scheme if we end up paying less to contributors than to those who are charged with its administration. The other place has made sensible, constructive amendments to the Pensions Bill, which I genuinely hope that Members on both sides of the House have the courage and wisdom to support when the Bill returns to the Commons.

This is not just about the 125,000 pensioners whose pension contributions have been stolen. We have to restore confidence in the pensions system. If future generations of young people are to believe in the security of the system and contribute more to the collective pension pot it is important that we restore credibility. At the moment, their parents and grandparents tell them, "It's a mug's game." The kids who are now entering employment and whom we are asking to contribute more have direct experience from their own homes, families, streets and communities, where people are saying, "Don't do that. I did that all my life, and what happened? They stole it. So if you want to be sensible now, just go ahead and spend it. You're a fool if you sign up to a system that doesn't give guarantees that the money you think you're putting aside as savings will actually be there for you when you need it—when you come to the end of your working life."

This issue is therefore as much to do with confidence in our future pension schemes as it is to do with justice for those who have been lifetime contributors to previous schemes. I do not seek to imply that the Government were responsible for the losses, but we were responsible for setting the rules of the game and leaving people with the belief that their pension contributions were guaranteed when they were not.

When we return to this matter, I hope that we will not only get caught up in the to and fro of debate and exchanges of half-truths about pension commitments, but that we will also have the courage to address the inequalities and injustices that currently exist and set out a framework of visionary changes in pension provision that will allow the young and the old to stand proud and to endorse what we claim to be doing.

Mr. David Laws (Yeovil) (LD): I am pleased to be able to contribute to the debate, and I should like to start by welcoming to their posts the new Secretary of State and the Minister of State with responsibility for pension reform, the hon. and learned Member for North Warwickshire (Mr. O'Brien). In all parts of the House, there is a view that they are taking over from two very competent predecessors who helped to forge a pensions consensus on some aspects of pension reform; I do not say that without qualification, but I hope that the pensions consensus will last.

It illustrates the political skill of both predecessors that one managed allegedly to say very rude things about the former Chancellor and still to be included in his Cabinet now that he is Prime Minister, while the other is now a Secretary of State at an early age. I wish the Secretary of State and the Minister all the best, as I do the new Conservative spokesman, the hon. Member for Epsom and Ewell (Chris Grayling). He comes to his role with a reputation as a parliamentary Rottweiler; he has had clashes in the past, and perhaps we will witness more in the future.

I also wish all the best to my successor. Members will no doubt have been closely following today's Liberal Democrat reshuffle. My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) will take over from me from tomorrow morning. I can therefore make this speech rather more reflective in tone than it otherwise might have been, and more forward-looking in content without too much political knockabout.

One of the achievements of the predecessors of the new Secretary of State and Minister was to have forged the pensions consensus, along with Lord Turner and his excellent commissioners. How far that moved forward pensions policy is not to be underestimated. It required all three major political parties, and the minority parties, to accept the following changes to pensions policy, none of which was in their entirety in our 2005 manifestos: the increase in the pension state age, which was politically sensitive and economically important; the permanent restoration of the earnings link; the introduction of personal accounts and the acceptance that the state's role in second-tier provision would be lessened; the introduction of automatic enrolment; and the agreement on compulsory employer contributions. All of them are major changes, and I hope that they will last. They were the reasons we backed the Pensions Bill, notwithstanding the concerns we have about the detail of the reforms and our genuine worries that that might mean that, in spite of the agreement that we have, the pensions proposals prove not to be as successful in practice as Ministers hope.

Today, rather than going back over some of the arguments about who did what in 1997 and 1998, which—I agree with the Secretary of State—are not the explanation for the downturn in occupational pensions and, in any case, do not seem to be relevant in terms of the implications for pension policy now, I wish to highlight three issues of future pension policy that should be of concern and interest to Ministers in the future.

The first, and easiest to deal with, is the compensation for those people presently in the financial assistance scheme, which the hon. Member for Nottingham, South (Alan Simpson) mentioned. I was pleased to hear the comments by the Secretary of State today, although he has had only a short time to reflect on these matters. I hope that in the cautious and constructive way in which he made his comments about the financial assistance scheme and the Pension Protection Fund, he is signposting the fact that he will take the initiative in that area and bring to an end the long period, lasting a couple of years, in which the Government have ended up making major concessions, usually as a consequence of external pressure, from the other political parties and their own Back Benchers, the courts, the parliamentary ombudsman, the Public Administration Committee or—at the moment, at least—the other place. All that has meant not only that the Government have extracted the minimum possible political benefit from the largest possible economic concessions, but that those people who are waiting for decent and fair compensation have had to wait a very long time. As the Secretary of State will

probably know already—and if he does not, he will find out in time—those waiting for a fair settlement feel great bitterness.

It is felt to be almost inevitable that the Government will reach the PPF level of benefits to which we all aspire. Even in their own terms, they have gone almost three quarters of the way there through what has already been allocated. Many of us hope that the Government will, in the next couple of months, go the whole way. When we look at the remaining cost of delivering the rest of the reform, it is—especially over a period of 50 or 60 years—modest and affordable. The Secretary of State will already have noticed that the figures that his Department is using do not include any reduction in the cost of means-tested benefits or the revenues from taxation that would reduce the costs. That is the first issue and I hope that we will hear something positive on it from the Secretary of State.

The second issue is in many ways the most important for the success of the Government's reforms. I have been teased on this point by the hon. Member for Eastbourne (Mr. Waterson) who has been a Front-Bench spokesman on this issue for several years. He teased me about the potential parallel consensus between the consensus to which we are signed up to in the House and those areas of disagreement that we have constantly flagged up. I said to the hon. Gentleman the last time he raised that point that I entirely agree with him that there is a parallel consensus outside this place, and the Secretary of State and the Minister will also discover that. Although most hon. Members and, to some extent, those outside think that the main planks of pension reform are sensible, they also think that the excessive reliance on means-testing, which is still part of the system, will be a major problem for the Government.

To the extent that those people are the existing generation of pensioners, they also feel that pension reform is irrelevant for them, because the earnings link will not be restored until 2012 or 2015. By that time, as many as a third of the existing pensioner population will no longer be with us, and the Secretary of State will discover that pensioners in the real world outside this place do not think that those "great" reforms are nearly as exciting as we do. I hope that the Secretary of State will not give up on the idea of persuading the Chancellor, no doubt at an appropriate moment in the electoral cycle, to consider bringing forward the restoration of the earnings link, because most people would regard that as sensible. It would also be very popular.

Mr. Weir: I am very interested in what the hon. Gentleman is saying. Although the restoration of the link is valuable, does he agree that it does nothing to improve the value of the basic state pension? Many people, especially those on low wages, rely on the basic state pension, but its value has fallen since the link was first broken by the Tories back in 1980.

Mr. Laws: I entirely agree and, as is always the way with such interventions, I was about to develop precisely that point.

People are very bitter that the introduction of the earnings link will be delayed for so long, as that will mean that the state pension will continue to wither even further in relation to earnings. However, the problem is that we are building on a very low base: one suspects that the Chancellor signed off on the deal only because the figures for the cost of state pension reform show that, even in 2020, we will be spending a share of gross national product on the

state pension architecture that is less than we spend today.

The price that the Chancellor extracted is that we have a very low basic state pension, with the result that everyone who relies on pensioner credit and means-tested benefits will be in poverty. I hope that the new Secretary of State will not believe his Department's spin about pensioner poverty. It is true that it has declined considerably since 1997, but it is also true that Britain is one of the worst countries in the European league table when it comes to our residual level of pensioner poverty. The EU figures published by the Department in a written answer earlier this year show that almost a quarter of our pensioner population still lives in relative poverty.

I hope that the Secretary of State will continue the process of pushing down pensioner poverty. In contrast, the formal position of the Government under his predecessor appeared to be that the decline in pensioner poverty had to be consolidated, but that it did not need to be taken further.

A consensus does exist outside the House to the effect that, because we are building on such a low basic state pension, we may end up undermining the personal accounts that are so vital to pension reform. When the Secretary of State's predecessor announced his major pension proposals and the great consensus on pensions, he said to many people, both publicly and privately, that everything he was doing in respect of the state pension was designed to make personal accounts work. He added that the success or failure of all the reforms would be determined by whether personal accounts could be made to work. However, the fact that we are building on a very low basic state pension means that almost 50 per cent. of the people who are to be the target audience for personal accounts will face means-testing—for pension credit and housing benefit, and for all the other means-tested benefits.

The promise offered by Lord Turner was very attractive, and the former Secretary of State offered it too, until he realised what he was saying and the size of the liabilities that he was building up for the future. The promise was that people would get back £2 for every £1 that they put into their personal accounts. It was a no-brainer, suggesting that everyone should have a personal account, but the promise simply cannot be delivered. It may be that some people—perhaps 10 to 20 per cent.—could end up not getting a decent return and even losing money if they go for a personal account, while a significant number will get returns of between £1 and £2 only for every £1 that they put in.

The people involved in personal accounts are likely to be on very low pay already, probably with high mortgage and credit card debt. Many, and especially the women among them, will be unable to predict their future work patterns, which means that they will not be confident about whether personal accounts are right for them. The problem for the Government is that, if they describe the risks in too much detail, the take-up of personal accounts could be very low, whereas if they do not describe the risks in enough detail they may end up being accused of Government-sponsored mis-selling that will come back to haunt us later on.

The answer must be to increase the basic state pension, but I suspect that Ministers will try to introduce changes such as trivial commutation to offset some of the effects of means-testing.

The result will be an extremely complex system, and the Pensions Policy Institute has said that the Government will also have to spend something like £500 million on changing the rules. The total could come to more than £1 billion, and all it will achieve is that less than a quarter of the people who might otherwise have been hit by means-testing will be removed from its effects. So solving the problem by changing the rules and allowing people to take lump sums rather than affecting their means-tested benefits could be messy, could dissuade people from saving and could undermine the personal accounts.

In spite of the consensus on the major elements of pension reform, I cannot predict whether personal accounts will have been a success when we look back in 10 or 20 years. All of us know that in the great pensions consensus of the 1970s, there was not even a Division on the state earnings-related pension scheme. The Labour Government pushed it through and the Conservatives did not move on it. Only a handful of people were in the House. Only a few years later, because the scheme had not been well worked out, the whole thing unravelled. Our fear is that that might happen to personal accounts.

The other big concern is about occupational pensions. There is an increasing gap between the private sector and the public sector, and there is a bitterness about it. The right hon. Member for Birkenhead (Mr. Field) said in evidence to the Select Committee that it was about time that hon. Members on both sides of the House stopped rehearsing our prejudices about public sector pensions and started to focus on the substance of public sector pension reform. After all, many public sector pension schemes are affordable; others are not. Some, usually low-paid, public sector workers have lousy pensions. Usually higher-paid public sector workers, including MPs and judges, have good pension schemes.

We have argued that we ought to have a Turner-type independent commission to do what the Turner commission did and put the evidence in the public domain so that we can reform public sector pensions in a sensible, managed way rather than ending up reforming them in a hurry in five or 10 years because they have become unaffordable. We are watching carefully and so is the Conservative spokesman. Ministers know that the cost of public sector pensions is going up all the time. The Government have been holding back the latest set of statistics, presumably because the discount rates on the cost of public sector pensions will inflate the figures.

I hope that, if the Government are trying to look to the Turner consensus as a basis for pensions reform, the Secretary of State will look at what Lord Turner said on 11 June in another place, when he was critical of the way in which the Government had handled public sector pension reform. He said:

“the deal that the Government reached with the unions in 2005 is inadequate and will need to be revisited”. —[*Official Report, House of Lords*, 11 June 2007; Vol. 692, c.1559.]

He has mentioned before, publicly as well as privately, that this is not just a right-left issue. It is much more complex. Many low-paid public sector workers get a bad deal. Many of those people who are going to join public sector pensions in the future, who have had a rather bad deal as a consequence of the way in which the unions have negotiated, will suffer. Women who have had many career breaks and are existing members of public sector pension schemes may lose their

right to retire at 60, whereas men who stay on will be able to keep it. There are all sorts of aspects which are not simple issues of right and left.

The final aspect of occupational pensions that worries me a lot comes back in some ways to the point that the hon. Member for Nottingham, South made. With the exception of a lot of well-paid people in the public sector, including MPs, an immense risk transfer is going on in pensions. In the past, many of us could rely on public sector pension schemes, private sector pension schemes and state pension schemes that delivered not just the basic state pension but some kind of earnings-related pension. That meant that many not very financially literate or affluent people could rely on a second pension, often from their employer. In the future, we shall be asking many of those people to provide for themselves through a defined contribution scheme that few of them will understand, will involve a lot of market risk and will be uncertain in relation to the impact of means-testing. We are already seeing a levelling down of employer contributions and an axing of salary-related pension schemes. There is a real risk as a consequence that we will have a generation in 20 or 30 years retiring on really inadequate pensions, including those people who will be saving in personal accounts, who will be saving nothing like enough if they are saving at the default extremely low rates, which will produce inadequate returns for people.

The hon. Member for Nottingham, South was right to say that much pension provision in the past was based to some extent on employers' perceptions of their responsibility. Given the way they have suffered recently from what has happened to pension schemes and the enormous amount of money they have had to put in, they will understandably be happy to wash their hands of that responsibility. Many of them will be happy to reduce their contribution rates to the personal account level, to as little as they can get away with, which will be devastating, especially for people who will have to rely on personal accounts, because they will probably be the least able to manage their finances.

As well as making personal accounts as accessible and easy to use as possible, and not prone to employers' dodging, I hope the Government will talk to businesses and others about what they can do to maintain good occupational schemes—perhaps not final salary schemes, but salary-related schemes. All is not necessarily lost for those schemes, but there is a risk that the introduction of personal accounts will lead to a further stampede out of occupational pensions in a way that we may regret in the future.

The predecessors of the Secretary of State and the Minister had some major achievements, on which I hope their successors can build, although in some senses they have been left with the difficult bits of turning some good planks of reform into something that will actually deliver the goods. I wish them all the best in that.

Several hon. Members rose —

Madam Deputy Speaker: Order. There is a limited amount of time left for the debate so Members may wish to reduce the contribution they had planned to make.

Mr. Frank Field (Birkenhead) (Lab): I shall be brief, Madam Deputy Speaker.

This evening, we bid farewell to the hon. Member for Yeovil (Mr. Laws) just as the Leader of the Opposition moves someone who is generally regarded as a Rottweiler into the shadow portfolio. Tomorrow, there will be a new Liberal Democrat Front-Bench spokesman, so it will be interesting to discover which party leader made the right decision when we reflect on matters at the election. However, I welcome the new Front-Bench spokesmen, the hon. Member for Epsom and Ewell (Chris Grayling), who leads for the Opposition, and in particular I welcome my right hon. Friend the Secretary of State. I should like to give both of them a message and I shall address the Conservative Opposition first.

The thrust of the motion, although perhaps not the content of the speech made by the hon. Member for Epsom and Ewell, was about restoring confidence in pensions. I have a suggestion that the Opposition might like to think seriously about if they want to restore confidence. In this Parliament, they have as yet issued no set of proposals about welfare reform, let alone pension reform. The decision they have to make is where they draw the line between what risks individuals should bear for their pension provision and what risks we should collectively bear. I suggest that the key dividing line is a pension scheme in the future that ensures that everybody who plays their part fully in society receives a pension that takes them out of means-testing when they retire. The risks involved should be shared by all of us. It is of course desirable that people should have more than that for their pension provision, but that is not a concern for taxpayers—bearing that risk is for individuals themselves.

My Government have not yet made that division, so my second piece of advice is addressed to my right hon. Friend the Secretary of State in the decisions he faces. I want to focus on the role of personal accounts. My right hon. Friend was right to say that not everybody has been covered by occupational schemes. There has been a huge number of poor and desperately poor people, and the Labour Government have redistributed more resources for poorer pensioners than any Administration since we established the state retirement pension. The Government deserve huge credit for that, but the way in which they achieved the goal is unstable. They did it largely on the basis of the pension credit, which is means-tested. Therefore, perhaps 40 per cent. of our electors do not know whether it will pay them to save or whether, if they do save, they will be substantially better off. If they are not better off because they are covered by the pension credit, they will see other people who did not bother to save receiving an income through means-testing that is equal to, if not greater than, the one that they end up with. For the reasons that my hon. Friend the Member for Nottingham, South (Alan Simpson) outlined, the message not to save has gone out to people.

I therefore hope that my right hon. Friend the Secretary of State will return to the decision that we make about how adequate the first tier of pension should be if we are then to rely on people building on it through their own efforts. If we do not do that, I will put things much stronger than the hon. Member for Yeovil. I see a mega mis-selling scandal coming up the tracks and we will not be able to blame the Legal and General or the Pru. The House will have put in place what is euphemistically called “soft compulsion”, making people save for schemes that may pay them little or, as the hon. Gentleman said, nothing.

Alan Simpson: Or worse than that.

Mr. Field: Or worse, as my hon. Friend says. In that scenario, we will face the worst of all possible outcomes.

That is my advice to those on both Front Benches, but may I sound a note of caution about us as politicians? It is undoubtedly true that occupational pensions have been the Crown jewels of our pension system and that previous Members of Parliament thought that they were far too good for just a few workers. They thought, "We must spread them to their dependants and we must have widows benefits and orphans benefits." We put a strain on occupational schemes that employers never thought would be there when they began to build up the schemes. With the Opposition insisting on tax changes, we ran down the surpluses, and while my right hon. Friend the Secretary of State mounted a great defence of the advance corporation tax changes, my guess with hindsight is that if we had our time again we would not make that change now. I merely emphasise that this wonderful place, the House of Commons, sometimes gets a fit of self-righteousness and starts legislating in a way that is improper, and we have done that with occupational pensions. I hope that we are about to enter a deadly serious phase of the debate in which the Opposition address the key question of where we draw the line between when risks should be pooled and when risks should be taken by individuals. I hope that with the new brief that my right hon. Friend has, he will look carefully at how the personal accounts that have to play such a key role in our long-term reforms do not land us with the charge of state mis-selling at the end of the day.

Sir John Butterfill (Bournemouth, West) (Con): It has been a thoughtful debate, but there are fundamental problems that we need to address. The principal difficulties with the funding of occupational pensions are partly the additional benefits that the right hon. Member for Birkenhead (Mr. Field) has identified, but largely increased longevity coupled with a terrible shortage of index-linked gilt securities.

The hon. Member for Nottingham, South (Alan Simpson) mentioned the desirability of further investment in Government securities, but the real yield on index-linked gilts today is below 1 per cent. That is incredibly low, but we have been forcing pension funds to go into such investments since my party introduced the Pensions Act 1995 and the minimum funding requirement, which I opposed at the time. That has partly contributed to the problem. The huge stock market crash a few years ago was a phenomenon that always happens in equity markets: they go up and down, but overall the direction of the yield is pretty firmly upwards—as is logical in a free western economy. So, the stock market is not the cause of the problem. It is the concentration on index-linked gilts, as being the only way of delivering a pensions promise, that has been a terrible mistake.

I will deal first with state pensions. The present level of the state pension is much too low and the state pension is very unfair to women. I think that 32 per cent. of all women have no pension and almost 4 million have less than a full pension. The Government have tried to address that and I pay tribute to them for some of the things that they have done in recent pensions legislation, which is improving the situation. However, until we move to a pension at a decent level—not one that provides any luxury, but one that at least offers some sort of standard of living for those who would otherwise not benefit—we are not a civilised society. The link to earnings must be restored. The Government have said that they will do that, but one

wonders when. When pressed, they said, "Well, we hope to do it by 2012." However, there is not even a firm promise for 2012 and by the time we get to 2012 a lot of my constituents, and those of other right hon. and hon. Members, may well no longer be here to benefit from the change. I know that people will say that it is not affordable, but there are ways in which it can be made affordable and the Government have latched on to one of them, which is to increase the pension age.

If people are going to live longer and longer—as they are thanks to improvements in our medical knowledge and our NHS—we will have to accept that they will probably have to work longer in order to be able to pay for that. That is happening not just here, but in Scandinavia and the United States. It is a reality of increased longevity that increasing the pension age will be the only way to pay for decent pensions in retirement.

Having so many pensioners on means-tested benefits is rather demeaning for them. I know that pension credit is well meaning, but it is intrusive. About 1.7 million people who are entitled to it do not claim it, partly because of the level of intrusion that they feel it involves. I think that the solution is to increase the pension to some sort of a living wage, without any means-testing, and to pay for that by increasing the retirement age—ultimately, possibly from 67, which is what has been proposed, to 70. We can restore people's dignity in that way. Perhaps we can also look at clamping down further on sickness benefits and early retirement, which I will come to later, because there are problems in both the public and the private sectors.

When looking at where we are going, we must look in particular at what is happening in the public sector, of which we are a part. Unfortunately, many of the public sector schemes are totally unfunded. As such, we are mortgaging the future of our children and grandchildren. That is not a responsible way to go forward. Although we have schemes where there is no contribution or only a very small contribution, that is not a direction in which we can go in the long term. We need known levels of funding from the Exchequer and reasonable levels of funding from those participating in the schemes. That cannot happen overnight because people have contracts of employment; it will only happen in the future, after there has been change to the basis and structure of public sector schemes, but I think that it can be done.

We are already doing some of what is necessary. In some areas of the public sector, the levels of contribution are quite high. Certainly, changes that have been made to fire service schemes, police schemes and armed services schemes have led to substantial contributions being paid. To its credit, the House voted for a substantial increase to its contributions, too, and we now pay 10 per cent, which is far more than is paid in most public sector schemes.

In the rest of the public sector, we have to consider the retirement age. For Members of Parliament, the earlier retirement age ends in 2009, whereas for the rest of the public sector we suggested that it do so in 2013, so I hope that we have set an example that can be followed. Public sector transfer clubs need to end because they are costly to the public sector. Such arrangements do not exist in the private sector—if a person transfers to another scheme in the private sector, they get what their lump of money will buy as they enter the new scheme. It is wrong that we should give the public sector and, indeed, ourselves privileges that do not exist in the private sector.

I agree that personal accounts are an extremely good idea, but they need to be built on because a total of 8 per cent. will not give anyone a very substantial salary. There will be a problem if we retain pension credits, because as the right hon. Member for Birkenhead said, as long as we maintain means-tested benefits there will be a serious problem with possible claims of mis-selling. People will say, "Why did I bother to save when it simply means that I will be disqualified from state benefits?" There may be ways of overcoming that; for example, there could be an increased level of disregard for income under that structure. There could also be a capital disregard for relatively small pots of pensions money. We will have to look hard at the issue if we are to escape the problems of mis-selling.

I wanted to deal with the problem relating to the purchase of annuities, but that will have to be left for another day. I simply suggest that there may be alternatives that would still give protection to the Treasury—indeed, they would actually increase its total revenue—but that would not take us away from the idea that there needs to be a pot of money from which people draw their pensions.

Tom Levitt (High Peak) (Lab): In High Peak, we see the effectiveness of the Government's commitment to securing sustainable occupational pensions. In Chapel-en-le-Frith, there is the largest of the 12 British plants of the American-owned company, Federal Mogul, which is one of this country's premier producers of brake linings for a wide range of vehicles. The name of the original company, Ferodo, is synonymous with excellence in the world of brake linings. It was established about 100 years ago, but for most of its life, Ferodo was part of the British company Turner and Newall, but it was taken over, pension fund and all, by Federal Mogul in the early 1990s.

To understand why the Turner and Newall pension fund has become such a hot potato in recent years, we must look at what was happening to the company at the turn of the 21st century. By that time, the company had awarded itself 15 years of pension contribution holidays in the previous 25 years, on both Turner and Newall's watch and, latterly, Federal Mogul's watch. Yet the fund was still viable, still operating and absolutely huge. In 2001, the company went into administration to protect itself from bankruptcy. The reasons for that had nothing at all to do with the British operation of Federal Mogul.

What was happening was that thousands of claims for damage to people's health from exposure to asbestos were being lodged in the American courts. Many of those claims were held by the company to be spurious, but some courts—one in Memphis was especially permissive—were allowing millions and millions of dollars worth of claims, to the extent that the viability of the company was being called into question. I do not want to belittle the asbestos issue for a moment. Those whose health has genuinely suffered from exposure to asbestos should be compensated, but in the litigious atmosphere of the United States the claims were excessive, and the company claims that the courts were deciding unreasonably against it. Its business interests got protection from bankruptcy by putting the whole of Federal Mogul, the international company, into administration under American law.

What no one predicted then was that that would make it impossible for the Turner and Newall fund to operate under British law once the company came out of administration. In July 2004

the company concluded that the pension fund was not compliant with British insolvency law and the fund would have to close. It was not close to collapse. It was, as I said, huge—over £1 billion in size, from memory—but the law said that if the fund was not big enough to cover all its potential liabilities, the company could not be released from insolvency. That is a sensible law, in principle, although in this case, the chances of all the fund's liabilities being called in at once were infinitely small.

What did that mean? It meant that my constituents, the Turner and Newall pensioners, were looking at a pension of only about 8p for every pound that they would otherwise have expected to receive. There was no safety net. There was no protection. The financial assistance scheme was coming into existence, but it was tiny. It would not cover Turner and Newall's liabilities. That summer I, along with other right hon. and hon. Members, met Ministers to discuss the potential failure of one of the very biggest pension schemes in the whole country. Fortunately for us, at that time the Pensions Bill was going through Parliament. It created the Pension Protection Fund, a vehicle almost tailor-made for the Turner and Newall situation. We made sure that Ministers were fully aware of the situation and the consequences, should that fund fail.

The PPF emerged from the Pensions Act 2004 as the best possible safety net or lifeboat—call it what you will. Taking over the assets of failed pension schemes and taking a levy from the pensions industry, the PPF would provide a 100 per cent. payment of existing pensioners' pensions and typically 90 per cent. of future ones, albeit frozen at that level and capped then at £25,000 a year. These restrictions add to the stability of the PPF and they are a small price to pay for pensions being saved at all. The only problem that we saw with the PPF in 2004 was that it would not start until 2006. The Turner and Newall fund had to limp on. With injections of cash from the company, it was able to raise its offer to pension fund members to 50p or 60p in the pound, far better than 8p, but nothing like as good as the PPF potential offer would be.

Meanwhile, I continued to act on behalf of my constituents, the largest single group of Turner and Newall pensioners in the country. I co-ordinated the work of an ad hoc cross-party group of MPs, working closely with the trade unions. I presented a national petition to Parliament in support of the Turner and Newall pensioners. I arranged for fund members, including union representatives from my constituency, to meet the American chairman of Federal Mogul to express their grievances here in Parliament. I invited the then Secretary of State for Work and Pensions to Chapel-en-le-Frith to meet aggrieved members of the fund. I spoke at a national rally of occupational pension fund members in Brighton, and I continued to lobby Ministers, the fund's independent trustee appointed by the courts, the administrators of the company, the PPF itself and others to ensure that the interests of my constituents were paramount. In short, I was doing my job.

The Turner and Newall fund is undergoing an 18-month assessment to see how the PPF would work. The independent trustee has to satisfy himself, by law, that there is no better alternative available before he will be allowed to take the fund into the PPF, but he will not get a better offer. It is irresponsible of some campaigners on the issue, not least a certain Conservative councillor, Councillor Bingham of Chapel-en-le-Frith, to go round suggesting that a better alternative to the PPF is there for the taking. The implication from local Tories in my

constituency is that taxpayers' money will be used to save failed pension funds under a Tory Government. That is in direct contradiction to the edict of the hon. Member for Tatton (Mr. Osborne) and it is misleading. It will not happen.

Until yesterday, the hon. Member for Runnymede and Weybridge (Mr. Hammond) was the Opposition pensions spokesman. Today he has moved on, and frankly I am not surprised. Perhaps this, taken from last week's issue of the *Buxton Advertiser*, was really the best that the hon. Gentleman had to offer. Speaking 10 days ago in my constituency, he said:

"If we can establish the evidence to support the idea of an alternative to PPF I am happy to present that to the government decision-makers for the necessary change in regulations...What we are talking about is whether it is appropriate to change the law to allow schemes like this an alternative rather than to go into PPF."

I do not know what that means. I do not know what the alternative is that he is offering on behalf of the Conservative party, and I am quite sure that he did not either. How will he deliver it without access to taxpayers' money? Does he really believe in his heart that something other than PPF will emerge in the next 12 months to restore the original value of the Turner and Newall fund. It is an irresponsible myth, just like the motion that we are debating. The Tories might have chosen tonight's subject for debate, but they have nothing to offer on occupational pensions.

Mr. Nigel Waterson (Eastbourne) (Con): It is a great pleasure to take part in the debate. I feel like a greybeard in this company of new rising stars on the Government Front Bench and departing stars on the Liberal Benches. I begin by adding my own warm welcome to the new Secretary of State—I hope that he knows what he is taking on—and the new Minister of State. The revolving door that has all too often been the Department for Work and Pensions in recent years has not always been a happy place for Ministers. Since 1997, we have seen seven Secretaries of State, and since I was appointed to this position, I have shadowed no fewer than four Ministers. I am particularly pleased that we had the usual distinguished and thoughtful contribution from a former Minister, the right hon. Member for Birkenhead (Mr. Field). I genuinely wish the new Ministers well in tackling the continuing pensions crisis.

In recent days, the new Prime Minister has spoken of little else but change. In a short speech at the door to No. 10, he must have mentioned the word eight or nine times. We have heard, and no doubt will continue to hear, of a number of new initiatives across a range of policy areas, but what has been totally missing—unless I have failed to spot it—is any mention of pensions. This is all the more surprising because polling shows that this is a failure for which most voters hold the former Chancellor to blame. I am pleased that we had the usual authoritative contribution from my hon. Friend the Member for Bournemouth, West (Sir John Butterfill), and we also heard from the hon. Member for High Peak (Tom Levitt) who has been through the Turner and Newall saga from start to finish, as he described.

But when it comes to long-term pensions reform, we Conservatives have taken a wholly responsible and non-partisan position. We have broadly accepted the conclusions of Lord Turner and his colleagues and gone along with the Government on gradually increasing the

state pension age, on help for carers especially women, and on restoring the link with earnings for the state pension. Indeed it would have been churlish not to do so given that those were mostly our last election manifesto. In short, we have worked hard to build a genuine consensus on pensions, and I see no reason why that should not continue to be the case.

We have also given our broad support to the proposals for personal accounts. But we still have serious concerns about the design of this new system. Key decisions on that design must be made by politicians, not delegated to unelected people, no matter how expert.

During debates in the House on the Pensions Bill, we flagged up four major concerns, some of which have been discussed today. Those were means testing; the risk of levelling down existing pension provision with the introduction of personal accounts; the potential for mis-selling; and the issue of confidence.

On mis-selling, I am very much on the same wavelength as the right hon. Member for Birkenhead. There is a real issue here, and the Secretary of State will not yet have had time to absorb this kind of detail, but his attention will no doubt be drawn to the conclusions of the Pensions Policy Institute and the crucial differences between its research as to the likely level of means-testing after the reforms and the Government's own projections. Again, the crucial difference between the two models is that the PPI model takes account of housing benefit and the Government model does not, which relates to the effects on people who rent in retirement.

I shall come on to issues of confidence in a minute, but I want to deal with the valedictory remarks of the hon. Member for Yeovil (Mr. Laws)—for all I know, my remarks may be valedictory, but nobody has informed me yet. Although the Liberal position may improve or change with the arrival of the new spokesman, it is at best confusing and at worst likely to discourage pension saving. The Liberal Democrats want to abolish tax relief for pension contributions, certainly for higher rate taxpayers. It is the only party, apart from the Government, which backs the continuation of compulsory annuitisation. It is still peddling its idea of a citizens pension, which is unworkable, unaffordable and a total non-starter, because no major party is prepared to do it. I say in a caring way to the hon. Member for Yeovil that the Liberal Democrats have consistently placed themselves outside a serious and responsible consensus on long-term pensions reform. We will see whether the new broom produces different results.

The crucial priority for any Government must be to restore confidence in pensions saving. How can we expect younger workers to save for their retirement, when almost every week they see bad news stories about people who have lost their pensions? Shortly before the new Prime Minister relinquished his iron grip on the Treasury, he was taken to task in this House for his £5 billion-a-year raid on pension funds. Was he embarrassed, abashed or apologetic? Not a bit of it. He said:

"I tell the House that I do not apologise".—[*Official Report*, 17 April 2007; Vol. 459, c. 176.]

He went on to say:

"We made the right decision".—[*Official Report*, 17 April 2007; Vol. 459, c. 183.]

That was a slap in the face for the 125,000 victims who lost all or most of their pensions

through no fault of their own. However, we must not forget that absolutely everyone with a pension scheme has lost because of the £100 billion or more that the Chancellor has stripped from their retirement savings.

Having created the problem in large measure, the then Chancellor was happy to leave those people without help or to the tender mercies of the failed financial assistance scheme. As my hon. Friend the Member for Epsom and Ewell (Chris Grayling) has said, the latest FAS annual report was sneaked out on the very day that the new Prime Minister took office. It is a dismal and depressing document, cementing the impression that the FAS is a failing, incompetent and useless organisation. In some two years, it has succeeded in getting payments to little more than 1,000 pensioners, but no fewer than 10,000 victims are already eligible for help. Amazingly, the FAS spent more on running itself, £4 million, than it paid out, £3.5 million.

The former Chancellor, among others, continues to claim that victims will get 80 per cent. of their entitlement, but that is patently untrue. The Secretary of State fell into the same trap himself, although perhaps with more excuse, when he discussed 80 per cent. of “core expected pension”. “Expected pension” is a lot more than “core expected pension”, which has been introduced through the FAS. Most people will get half of what they expected to get.

As has been said, the Government have been told on several occasions by the ombudsman, the European Court, the Select Committee and the High Court that there has been maladministration, and they are now appealing the High Court decision. However, they are still ignoring the legitimate demands of the pension victims. The Government will have another opportunity to right that wrong, because the Lords has voted in favour of the cross-party amendments setting up a lifeboat fund, which would provide PPF-level compensation for those victims. Back-Bench Labour MPs who have constituents in this predicament, or who just want to see justice done, will soon have the opportunity to do something about it. The hon. Member for Nottingham, South (Alan Simpson), who speaks with great knowledge on these matters, made a similar point.

If removing dividend tax credit was such a great idea, why did the Chancellor fight for those two long years to resist the freedom of information request from *The Times*? Why did we also hear from the former Chancellor, my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), that he had had this very idea put to him by officials and had decided not to do it? It is incredible that when questioned in this House by my hon. Friend the Member for Bromsgrove (Miss Kirkbride), the Chancellor said, with effortless effrontery:

“I support the release of the papers.”—[*Official Report*, 17 April 2007; Vol. 459, c. 183.]

Presumably it was some other Chancellor who had fought so hard to keep them secret. It was a bit like the prisoner on his climb up to the gallows declaring his enthusiastic support for the death penalty.

Ministers should hang their heads in shame at their persistent refusal to draw a line under this scandal and help to give long-term pensions reform a fresh start. The new Secretary of State has a clean slate. He can choose to look at this matter again; in some ways, he suggested that he would. If the former Chancellor, now the Prime Minister, wants to have a honeymoon with 100

days of spectacularly popular announcements, this would be a very good start. If not, it is difficult to disagree with the conclusion of *The Daily Telegraph* when it said that on this issue the new Prime Minister

“is not fit to lead, not fit to govern and not fit to be trusted.”

The Minister of State, Department for Work and Pensions (Mr. Mike O'Brien): Let me begin by welcoming the hon. Member for Epsom and Ewell (Chris Grayling) to his new position. I wish the hon. Member for Eastbourne (Mr. Waterson) well in the reshuffle that appears to be under way; we understand these matters ourselves. I also wish well the hon. Member for Yeovil (Mr. Laws), who gave us his valedictory speech. It was a thoughtful speech, and I shall certainly bear in mind many of the points that he made in his interesting reflections on matters that he has raised while he has been a Liberal Democrat spokesperson on pensions.

Having listened to the hon. Member for Epsom and Ewell make his opening speech as a Front-Bench spokesperson on pensions, it looks as though there is a greater degree of difference between us than that which unites us. In fact, his speech was a lot of partisan knockabout. The reality is that we agree on many of the things that we need to agree on as regards the future of pensions. It is right that we should, because, over time—over decades—Governments might change their colour, and hence a consensus on long-term pension policy is a crucial obligation on all political parties. That consensus has been built up, across a range of issues, around the Turner report.

I welcome the extent of the agreement that exists, certainly between the two main parties. I also welcome the comments by the hon. Member for Yeovil about wanting the consensus to be built up. I hope that that view is shared by his colleague, the hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), whom I welcome to his Front-Bench position. I hope that he, too, will feel that he can participate in building that long-term consensus. As we continue to do that, I look forward, in the coming weeks and months, to meeting the various stakeholder groups, and indeed the Opposition parties.

However, there are disagreements between us and it is right that the debate should reflect on and deal with them. First, let me comment on some of the points that were made during the debate. My hon. Friend the Member for Nottingham, South (Alan Simpson) was right to claim, in a challenging and powerful speech, that the tax changes in 1997 were about strengthening investment. He raised a range of issues about the financial assistance scheme and the number of people who have been assisted by it so far. We are anxious to bring more people into the scheme and ascertain whether we can get more people assisted by it.

We need information from some of the trustees of schemes to ensure that we have sufficient detail to start making payments. That has been a problem, but we have now simplified some of the information requests that are made to the schemes to ensure that compliance is easier. Through officials in the Department, we have been trying to meet representatives of the schemes to ascertain whether we can get them to participate more fully so that we can achieve precisely what my hon. Friend wants: more people able to be helped by the FAS.

My hon. Friend raised a couple of other issues, which I shall tackle briefly. He said that the FAS benefits did not include revaluation, indexation or survivor benefits. However, they protect pensions against inflation until the age of 65. The survivor benefits are paid at 50 per cent. of FAS entitlement. Given that FAS is a sort of top-up, some of the non-core benefits may therefore be included in the annuity that the pension scheme pays.

My right hon. Friend the Member for Birkenhead (Mr. Field) made an eloquent speech, in which he raised thoughtful points. I look forward to working with him to tackle some of them.

I hope that we can engage with some of the points raised by the hon. Member for Bournemouth, West (Sir John Butterfill) in due course.

My hon. Friend the Member for High Peak (Tom Levitt) referred especially to Federal Mogul and the Turner and Newall pension fund. I declare an interest in that I, too, have constituents who are directly affected by that matter—they work in Coventry. I look forward to meeting him to discuss those issues. I pay tribute to his work in leading the fight for the Turner and Newall pension fund members to ensure that they get a better deal.

The Opposition's original title for the debate was "Crisis in Pensions". The Pensions Commission stated in its executive report:

"On average, current pensioners are as well provided relative to average earnings as any previous generation, and many will continue to be well provided over the next 15 years. There is therefore no general and immediate crisis."

When we came to office, our first priority was to tackle pensioner poverty. Nearly one third of pensioners were living in relative poverty. Compared with the policies that we inherited in 1997, we now spend more than £11 billion extra on pensioners. Around half of that goes to the poorest third of pensioners. Consequently, more than 1 million pensioners have been lifted out of relative poverty for the first time in a generation. Pensioners are no more likely to be poor than any other group.

Our second challenge was to improve the security of private pensions. That included dealing with the pensions mis-selling scandal and the impact of the falling stock market on occupational pension schemes. We introduced the Pension Protection Fund, which offers security to more than 12 million members of occupational schemes and provides compensation if their employers become insolvent.

The pensions regulator helps protect members' benefits and promote the good administration of workplace schemes. The significantly expanded FAS will help to some extent those who have lost their workplace pensions before the PPF was established.

Let me deal with some of the concerns about the FAS. The scheme provides critical support for those who have lost their pensions. As a result of the Budget announcement, the newly expanded scheme will support all the 125,000 people whose occupational pension schemes were affected by employer insolvency before the PPF was created.

As my right hon. Friend the Secretary of State explained in his opening speech, we would like to go further if funding can be found from other sources. We invite contributions to the current review for viable and sustainable solutions. As hon. Members know, the review will examine whether the alternative treatment of the residual funds in affected schemes could compliment the £8 billion that the Government have committed, supplementing the increased support.

We look forward to the results of that review and we will all return to the Chamber later this month to debate the Pensions Bill. I hope that we will all agree that sustainable, affordable, effective and deliverable solutions provide the only realistic and responsible way to proceed.

We have been asked why we will not support the lifeboat fund or the lifeboat proposals that came from the other place. Let me be clear that the Government want to get the right money to people who have lost their pensions. We have already committed £8 billion of taxpayers' money to the financial assistance scheme and we have set up a review led and advised by experts. Putting the FAS on a par with the benefits offered by the PPF is simply unaffordable. Such a policy would effectively increase costs by a third. We do not believe that the taxpayer should be expected to provide high levels of compensation for schemes run by private employers. It would not be right to put FAS recipients in the same position through taxpayers' money as those whose schemes contribute to the PPF by way of a levy. We are not averse to the idea of making more money available if it is feasible, but at this stage, we do not know what assets, if any, are available. It seems sensible to find that out before putting any proposals forward.

There are clear objections to the proposals coming from the other place. First, the lifeboat proposals depart from the principle that evidence should guide policy. We need evidence of what is available and how it can be accessed before we start putting legislation in place that obliges us to access funds. The noble Lord Turnbull described the proposal in the other place as rather like introducing a dangerous dogs Act without finding out where the dangerous dogs are. Secondly, it is simplistic merely to claim that unclaimed pension assets without clear ownership are some sort of windfall gain to insurance companies. We need to think carefully about the implications of that, but the proposals from the other place do not deal with that at all.

The third objection is, of course, equity. The lifeboat will take from existing policyholders a long-term part of their gain. The Association of British Insurers described it as robbing Peter to pay Paul. As Lord Turnbull said, it might be that some of the Pauls are better off than the Peters. Once again, the issue needs to be looked into with a great deal more care than has been demonstrated by the Conservatives—and, indeed, the Liberal Democrats—in the other place. The lifeboat proposals require the state to take away somebody else's property. In other instances, we call that taxation. The noble Lord Turnbull suggested that the Conservatives, after complaining loudly about stealth taxes and pension grabs, now seem to be supporting a proposal that exposes them to exactly the same charge—of imposing a Tory stealth tax. They need to be much more careful about what they are supporting.

Mr. John Redwood (Wokingham) (Con) rose—

Mr. O'Brien: It is the case that the Conservatives have no credibility on pensions. *[Interruption.]* They presided over the pensions mis-selling scandal, which caused misery to millions, and they

destroyed confidence in the pensions industry.

Mr. Redwood rose—

Mr. O'Brien: They orchestrated a growing gap between richer and poorer pensioners. From 1979 to— *[Interruption.]*

Madam Deputy Speaker: Order. A great many people who have just entered the Chamber are holding very loud conversations.

Mr. O'Brien: If the right hon. Member for Wokingham (Mr. Redwood) has some concerns about these issues, he should have been in the Chamber to deal with them. He was not here during the debate, so on that basis I will not give way to him.

The Conservatives left almost 3 million pensioners living in poverty. They expected a pensioner to live on just £68 a week. No wonder pensioners could not afford to keep warm in winter. And then the Conservatives tried to raise VAT on fuel to 17.5 per cent. They passed the Pensions Act 1995—

Mr. Patrick McLoughlin (West Derbyshire) (Con) rose in his place and claimed to move, That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 197, Noes 297.

AYES

| | | | |
|-------------|-----|-----|---------|
| Afriyie, | | | Adam |
| Ainsworth, | Mr. | | Peter |
| Alexander, | | | Danny |
| Amess, | Mr. | | David |
| Ancram, | rh | Mr. | Michael |
| Arbuthnot, | rh | Mr. | James |
| Bacon, | Mr. | | Richard |
| Baker, | | | Norman |
| Baron, | Mr. | | John |
| Barrett, | | | John |
| Beith, | rh | Mr. | Alan |
| Bellingham, | Mr. | | Henry |
| Benyon, | Mr. | | Richard |
| Bercow, | | | John |
| Beresford, | Sir | | Paul |
| Binley, | Mr. | | Brian |
| Blunt, | Mr. | | Crispin |
| Bone, | Mr. | | Peter |
| Boswell, | Mr. | | Tim |

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|----------------|-------|------|---------|-------------|
| Bottomley, | | | | Peter |
| Brady, | | Mr. | | Graham |
| Brazier, | | Mr. | | Julian |
| Breed, | | Mr. | | Colin |
| Brokenshire, | | | | James |
| Brooke, | | | | Annette |
| Browne, | | Mr. | | Jeremy |
| Burns, | | Mr. | | Simon |
| Butterfill, | | Sir | | John |
| Cable, | | Dr. | | Vincent |
| Campbell, | | Mr. | | Gregory |
| Campbell, | rh | | Sir | Menzies |
| Carmichael, | | Mr. | | Alistair |
| Carswell, | | Mr. | | Douglas |
| Cash, | | Mr. | | William |
| Chope, | | Mr. | | Christopher |
| Clappison, | | Mr. | | James |
| Clark, | | | | Greg |
| Clarke, | rh | | Mr. | Kenneth |
| Clifton-Brown, | | Mr. | | Geoffrey |
| Conway, | | | | Derek |
| Cormack, | | Sir | | Patrick |
| Cox, | | Mr. | | Geoffrey |
| Crabb, | | Mr. | | Stephen |
| Davies, | David | | T.C. | (Monmouth) |
| Davies, | | | | Philip |
| Djanogly, | | Mr. | | Jonathan |
| Dodds, | | Mr. | | Nigel |
| Donaldson, | rh | Mr. | Jeffrey | M. |
| Dorries, | | Mrs. | | Nadine |
| Duddridge, | | | | James |
| Ellwood, | | Mr. | | Tobias |
| Evans, | | Mr. | | Nigel |
| Featherstone, | | | | Lynne |
| Field, | | Mr. | | Mark |
| Foster, | | Mr. | | Don |
| Francois, | | Mr. | | Mark |
| Fraser, | | Mr. | | Christopher |
| Gale, | | Mr. | | Roger |
| Garnier, | | Mr. | | Edward |
| Gauke, | | Mr. | | David |
| George, | | | | Andrew |
| Gidley, | | | | Sandra |
| Gillan, | | Mrs. | | Cheryl |
| Goodman, | | Mr. | | Paul |
| Goodwill, | | Mr. | | Robert |

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|------------------|----|------|-----|---------|
| Grayling, | | | | Chris |
| Green, | | | | Damian |
| Greenway, | | Mr. | | John |
| Gummer, | rh | | Mr. | John |
| Hammond, | | Mr. | | Philip |
| Hammond, | | | | Stephen |
| Harper, | | Mr. | | Mark |
| Harvey, | | | | Nick |
| Hayes, | | Mr. | | John |
| Heald, | | Mr. | | Oliver |
| Heath, | | Mr. | | David |
| Heathcoat-Amory, | rh | | Mr. | David |
| Hemming, | | | | John |
| Hendry, | | | | Charles |
| Herbert, | | | | Nick |
| Hoban, | | Mr. | | Mark |
| Hogg, | rh | | Mr. | Douglas |
| Hollobone, | | Mr. | | Philip |
| Horam, | | Mr. | | John |
| Horwood, | | | | Martin |
| Hosie, | | | | Stewart |
| Howard, | rh | | Mr. | Michael |
| Hughes, | | | | Simon |
| Huhne, | | | | Chris |
| Hunt, | | Mr. | | Jeremy |
| Hunter, | | | | Mark |
| Hurd, | | Mr. | | Nick |
| Jack, | rh | | Mr. | Michael |
| Jackson, | | Mr. | | Stewart |
| Johnson, | | Mr. | | Boris |
| Jones, | | Mr. | | David |
| Kawczynski, | | | | Daniel |
| Key, | | | | Robert |
| Kirkbride, | | Miss | | Julie |
| Knight, | rh | | Mr. | Greg |
| Kramer, | | | | Susan |
| Lamb, | | | | Norman |
| Laws, | | Mr. | | David |
| Leigh, | | Mr. | | Edward |
| Letwin, | rh | | Mr. | Oliver |
| Lidington, | | Mr. | | David |
| Lilley, | rh | | Mr. | Peter |
| Llwyd, | | Mr. | | Elfyn |
| Loughton, | | | | Tim |
| Luff, | | | | Peter |

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| Mackay, | rh | | Mr. | Andrew |
| Maclean, | | rh | | David |
| Main, | | | | Anne |
| Malins, | | | Mr. | Humfrey |
| Maples, | | | Mr. | John |
| Mates, | rh | | Mr. | Michael |
| McCrea, | | | Dr. | William |
| McIntosh, | | | Miss | Anne |
| McLoughlin, | rh | | Mr. | Patrick |
| Mercer, | | | | Patrick |
| Miller, | | | Mrs. | Maria |
| Milton, | | | | Anne |
| Mitchell, | | | Mr. | Andrew |
| Moss, | | | Mr. | Malcolm |
| Mundell, | | | | David |
| Murrison, | | | Dr. | Andrew |
| Neill, | | | | Robert |
| Newmark, | | | Mr. | Brooks |
| O'Brien, | | | Mr. | Stephen |
| Osborne, | | | Mr. | George |
| Ottaway, | | | | Richard |
| Paice, | | | Mr. | James |
| Pelling, | | | Mr. | Andrew |
| Penning, | | | | Mike |
| Penrose, | | | | John |
| Price, | | | | Adam |
| Prisk, | | | Mr. | Mark |
| Pritchard, | | | | Mark |
| Pugh, | | | Dr. | John |
| Randall, | | | Mr. | John |
| Redwood, | rh | | Mr. | John |
| Rennie, | | | | Willie |
| Robathan, | | | Mr. | Andrew |
| Robertson, | | | | Hugh |
| Robertson, | | | Mr. | Laurence |
| Rogerson, | | | | Dan |
| Rosindell, | | | | Andrew |
| Rowen, | | | | Paul |
| Russell, | | | | Bob |
| Sanders, | | | Mr. | Adrian |
| Scott, | | | Mr. | Lee |
| Shepherd, | | | Mr. | Richard |
| Simmonds, | | | | Mark |
| Smith, | | | Sir | Robert |
| Soames, | | | Mr. | Nicholas |
| Spicer, | | | Sir | Michael |

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|---------------|-------|------|----------|-----------|
| Spink, | | | | Bob |
| Spring, | | Mr. | | Richard |
| Stanley, | rh | | Sir | John |
| Steen, | | Mr. | | Anthony |
| Streeter, | | Mr. | | Gary |
| Stuart, | | Mr. | | Graham |
| Swayne, | | Mr. | | Desmond |
| Syms, | | Mr. | | Robert |
| Tapsell, | | Sir | | Peter |
| Taylor, | | Mr. | | Ian |
| Taylor, | | | | Matthew |
| Taylor, | | Dr. | | Richard |
| Thurso, | | | | John |
| Tyrie, | | Mr. | | Andrew |
| Vaizey, | | Mr. | | Edward |
| Vara, | | Mr. | | Shailesh |
| Villiers, | | Mrs. | | Theresa |
| Walker, | | Mr. | | Charles |
| Wallace, | | Mr. | | Ben |
| Walter, | | Mr. | | Robert |
| Waterson, | | Mr. | | Nigel |
| Watkinson, | | | | Angela |
| Webb, | | | | Steve |
| Weir, | | Mr. | | Mike |
| Whittingdale, | | Mr. | | John |
| Wiggin, | | | | Bill |
| Willetts, | | Mr. | | David |
| Williams, | | | | Hywel |
| Williams, | | Mr. | | Roger |
| Williams, | | | | Stephen |
| Willis, | | Mr. | | Phil |
| Willott, | | | | Jenny |
| Wilson, | | Mr. | | Rob |
| Wilson, | | | | Sammy |
| Winterton, | | | | Ann |
| Winterton, | | Sir | | Nicholas |
| Wishart, | | | | Pete |
| Wright, | | | | Jeremy |
| Yeo, | | Mr. | | Tim |
| Young, | rh | | Sir | George |
| Younger-Ross, | | | | Richard |
| Tellers | for | | the | Ayes: |
| Mr. | David | | Evennett | and |
| Mr. | | Mark | | Lancaster |

NOES

| | | | | |
|-----------------|-----|-----|-------|-----------|
| Abbott, | | Ms | | Diane |
| Ainger, | | | | Nick |
| Ainsworth, | rh | | Mr. | Bob |
| Alexander, | rh | | Mr. | Douglas |
| Allen, | | Mr. | | Graham |
| Anderson, | | Mr. | | David |
| Anderson, | | | | Janet |
| Atkins, | | | | Charlotte |
| Austin, | | Mr. | | Ian |
| Austin, | | | | John |
| Bailey, | | Mr. | | Adrian |
| Baird, | | | | Vera |
| Balls, | | rh | | Ed |
| Barlow, | | Ms | | Celia |
| Barron, | rh | | Mr. | Kevin |
| Battle, | | rh | | John |
| Bayley, | | | | Hugh |
| Beckett, | | rh | | Margaret |
| Bell, | | Sir | | Stuart |
| Benn, | | rh | | Hilary |
| Benton, | | Mr. | | Joe |
| Berry, | | | | Roger |
| Betts, | | Mr. | | Clive |
| Blackman, | | | | Liz |
| Blackman-Woods, | | Dr. | | Roberta |
| Blears, | | rh | | Hazel |
| Blizzard, | | Mr. | | Bob |
| Blunkett, | rh | | Mr. | David |
| Borrow, | Mr. | | David | S. |
| Bradshaw, | | Mr. | | Ben |
| Brennan, | | | | Kevin |
| Brown, | | | | Lyn |
| Brown, | rh | | Mr. | Nicholas |
| Brown, | | Mr. | | Russell |
| Browne, | | rh | | Des |
| Bryant, | | | | Chris |
| Buck, | | Ms | | Karen |
| Burden, | | | | Richard |
| Burgon, | | | | Colin |
| Burnham, | | rh | | Andy |
| Butler, | | Ms | | Dawn |
| Byers, | rh | | Mr. | Stephen |
| Byrne, | | Mr. | | Liam |
| Cairns, | | | | David |

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|----------------|-----|------|-------|----------|
| Campbell, | | Mr. | | Ronnie |
| Caton, | | Mr. | | Martin |
| Cawsey, | | Mr. | | Ian |
| Chapman, | | | | Ben |
| Chaytor, | | Mr. | | David |
| Clapham, | | Mr. | | Michael |
| Clark, | | Ms | | Katy |
| Clark, | | | | Paul |
| Clarke, | rh | | Mr. | Charles |
| Clarke, | rh | | Mr. | Tom |
| Clwyd, | | rh | | Ann |
| Coaker, | | Mr. | | Vernon |
| Coffey, | | | | Ann |
| Cohen, | | | | Harry |
| Connarty, | | | | Michael |
| Cook, | | | | Frank |
| Cooper, | | | | Rosie |
| Corbyn, | | | | Jeremy |
| Cousins, | | | | Jim |
| Crausby, | | Mr. | | David |
| Cummings, | | | | John |
| Cunningham, | | Mr. | | Jim |
| Cunningham, | | | | Tony |
| Curtis-Thomas, | | Mrs. | | Claire |
| Darling, | rh | | Mr. | Alistair |
| David, | | Mr. | | Wayne |
| Davidson, | | Mr. | | Ian |
| Davies, | | Mr. | | Dai |
| Davies, | | Mr. | | Quentin |
| Dean, | | Mrs. | | Janet |
| Denham, | rh | | Mr. | John |
| Devine, | | Mr. | | Jim |
| Dismore, | | Mr. | | Andrew |
| Dobbin, | | | | Jim |
| Dobson, | | rh | | Frank |
| Donohoe, | Mr. | | Brian | H. |
| Doran, | | Mr. | | Frank |
| Dowd, | | | | Jim |
| Drew, | | Mr. | | David |
| Eagle, | | | | Angela |
| Eagle, | | | | Maria |
| Ennis, | | | | Jeff |
| Etherington, | | | | Bill |
| Farrelly, | | | | Paul |
| Fitzpatrick, | | | | Jim |
| Flello, | | Mr. | | Robert |

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|------------|---------|-----|-------|-------------------|--------------------|
| Flint, | | | | | Caroline |
| Flynn, | | | | | Paul |
| Follett, | | | | | Barbara |
| Foster, | | Mr. | | Michael | <i>(Worcester)</i> |
| Foster, | Michael | | Jabez | <i>(Hastings)</i> | <i>and</i> |
| Francis, | | | | Dr. | Hywel |
| Gapes, | | | | | Mike |
| Gardiner, | | | | | Barry |
| George, | | rh | | Mr. | Bruce |
| Gerrard, | | | | Mr. | Neil |
| Gibson, | | | | Dr. | Ian |
| Gilroy, | | | | | Linda |
| Godsiff, | | | | Mr. | Roger |
| Goggins, | | | | | Paul |
| Goodman, | | | | | Helen |
| Griffith, | | | | | Nia |
| Griffiths, | | | | | Nigel |
| Grogan, | | | | Mr. | John |
| Gwynne, | | | | | Andrew |
| Hain, | | rh | | Mr. | Peter |
| Hall, | | | | Mr. | Mike |
| Hall, | | | | | Patrick |
| Hamilton, | | | | Mr. | Fabian |
| Hanson, | | rh | | Mr. | David |
| Harman, | | rh | | Ms | Harriet |
| Harris, | | | | Mr. | Tom |
| Havard, | | | | Mr. | Dai |
| Henderson, | | | | Mr. | Doug |
| Hendrick, | | | | Mr. | Mark |
| Hepburn, | | | | Mr. | Stephen |
| Heppell, | | | | Mr. | John |
| Hesford, | | | | | Stephen |
| Hewitt, | | rh | | | Patricia |
| Heyes, | | | | | David |
| Hill, | | | | rh | Keith |
| Hodge, | | | | rh | Margaret |
| Hoey, | | | | | Kate |
| Hoon, | | rh | | Mr. | Geoffrey |
| Hope, | | | | | Phil |
| Hopkins, | | | | | Kelvin |
| Howarth, | | rh | | Mr. | George |
| Howells, | | | | Dr. | Kim |
| Hoyle, | | | | Mr. | Lindsay |
| Hughes, | | | | rh | Beverley |
| Humble, | | | | Mrs. | Joan |
| Iddon, | | | | Dr. | Brian |

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| Illsley, | | Mr. | | Eric |
| Ingram, | rh | | Mr. | Adam |
| Irranca-Davies, | | | | Huw |
| James, | Mrs. | | Siân | C. |
| Jenkins, | | Mr. | | Brian |
| Johnson, | | rh | | Alan |
| Jones, | | | | Helen |
| Jones, | | Mr. | | Kevan |
| Jones, | | | | Lynne |
| Jones, | | Mr. | | Martyn |
| Jowell, | | rh | | Tessa |
| Joyce, | | Mr. | | Eric |
| Kaufman, | rh | | Sir | Gerald |
| Keeble, | | Ms | | Sally |
| Keeley, | | | | Barbara |
| Keen, | | | | Alan |
| Keen, | | | | Ann |
| Kelly, | | rh | | Ruth |
| Khan, | | Mr. | | Sadiq |
| Kidney, | | Mr. | | David |
| Kilfoyle, | | Mr. | | Peter |
| Knight, | | | | Jim |
| Kumar, | | Dr. | | Ashok |
| Ladyman, | | Dr. | | Stephen |
| Lammy, | | Mr. | | David |
| Laxton, | | Mr. | | Bob |
| Lazarowicz, | | | | Mark |
| Lepper, | | | | David |
| Levitt, | | | | Tom |
| Lewis, | | Mr. | | Ivan |
| Linton, | | | | Martin |
| Lloyd, | | | | Tony |
| Love, | | Mr. | | Andrew |
| Lucas, | | | | Ian |
| Mackinlay, | | | | Andrew |
| Mactaggart, | | | | Fiona |
| Malik, | | Mr. | | Shahid |
| Mann, | | | | John |
| Marris, | | | | Rob |
| Marsden, | | Mr. | | Gordon |
| Marshall, | | Mr. | | David |
| Marshall-Andrews, | | | Mr. | Robert |
| McAvoy, | rh | | Mr. | Thomas |
| McCafferty, | | | | Chris |
| McCarthy, | | | | Kerry |
| McCarthy-Fry, | | | | Sarah |

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| McCartney, | rh | Mr. | Ian |
| McDonagh, | | | Siobhain |
| McDonnell, | | | John |
| McFadden, | | Mr. | Pat |
| McFall, | | rh | John |
| McGovern, | | Mr. | Jim |
| McIsaac, | | | Shona |
| McKechin, | | | Ann |
| McKenna, | | | Rosemary |
| McNulty, | | Mr. | Tony |
| Meale, | | Mr. | Alan |
| Merron, | | | Gillian |
| Michael, | | rh | Alun |
| Milburn, | rh | Mr. | Alan |
| Miliband, | | rh | Edward |
| Miller, | | | Andrew |
| Mitchell, | | Mr. | Austin |
| Moffat, | | | Anne |
| Moffatt, | | | Laura |
| Mole, | | | Chris |
| Moon, | | Mrs. | Madeleine |
| Moran, | | | Margaret |
| Morden, | | | Jessica |
| Morgan, | | | Julie |
| Morley, | rh | Mr. | Elliot |
| Mountford, | | | Kali |
| Mudie, | | Mr. | George |
| Mullin, | | Mr. | Chris |
| Munn, | | | Meg |
| Murphy, | | Mr. | Denis |
| Murphy, | | Mr. | Jim |
| Murphy, | rh | Mr. | Paul |
| Naysmith, | | Dr. | Doug |
| Norris, | | | Dan |
| O'Brien, | | Mr. | Mike |
| O'Hara, | | Mr. | Edward |
| Olnier, | | Mr. | Bill |
| Osborne, | | | Sandra |
| Owen, | | | Albert |
| Palmer, | | Dr. | Nick |
| Pearson, | | | Ian |
| Plaskitt, | | Mr. | James |
| Pope, | | Mr. | Greg |
| Pound, | | | Stephen |
| Prentice, | | | Bridget |
| Prentice, | | Mr. | Gordon |

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|-------------|----|--------|-----|--------------------|----------------------|
| Primarolo, | | | rh | | Dawn |
| Prosser, | | | | | Gwyn |
| Purchase, | | | Mr. | | Ken |
| Purnell, | | | rh | | James |
| Raynsford, | | rh | | Mr. | Nick |
| Reed, | | | Mr. | | Andy |
| Reed, | | | Mr. | | Jamie |
| Reid, | | | rh | | John |
| Robertson, | | | | | John |
| Robinson, | | | Mr. | | Geoffrey |
| Rooney, | | | Mr. | | Terry |
| Roy, | | | Mr. | | Frank |
| Ruane, | | | | | Chris |
| Ruddock, | | | | | Joan |
| Russell, | | | | | Christine |
| Salter, | | | | | Martin |
| Seabeck, | | | | | Alison |
| Shaw, | | | | | Jonathan |
| Sheerman, | | | Mr. | | Barry |
| Sheridan, | | | | | Jim |
| Singh, | | | Mr. | | Marsha |
| Skinner, | | | Mr. | | Dennis |
| Slaughter, | | | Mr. | | Andy |
| Smith, | Ms | Angela | C. | <i>(Sheffield,</i> | <i>Hillsborough)</i> |
| Smith, | | Angela | | E. | <i>(Basildon)</i> |
| Smith, | | | | | Geraldine |
| Smith, | | | rh | | Jacqui |
| Smith, | | | | | John |
| Snelgrove, | | | | | Anne |
| Soulsby, | | | Sir | | Peter |
| Southworth, | | | | | Helen |
| Spellar, | | rh | | Mr. | John |
| Starkey, | | | Dr. | | Phyllis |
| Stoate, | | | Dr. | | Howard |
| Strang, | | rh | | Dr. | Gavin |
| Stuart, | | | Ms | | Gisela |
| Sutcliffe, | | | Mr. | | Gerry |
| Tami, | | | | | Mark |
| Taylor, | | | Ms | | Dari |
| Taylor, | | | | | David |
| Thomas, | | | Mr. | | Gareth |
| Timms, | | rh | | Mr. | Stephen |
| Todd, | | | Mr. | | Mark |
| Touhig, | | rh | | Mr. | Don |
| Trickett, | | | | | Jon |
| Truswell, | | | Mr. | | Paul |

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|------------|-----|------|--------|---------|
| Turner, | | Dr. | | Desmond |
| Turner, | | Mr. | | Neil |
| Twigg, | | | | Derek |
| Vis, | | Dr. | | Rudi |
| Walley, | | | | Joan |
| Waltho, | | | | Lynda |
| Ward, | | | | Claire |
| Wareing, | Mr. | | Robert | N. |
| Watts, | | Mr. | | Dave |
| Whitehead, | | Dr. | | Alan |
| Wicks, | | | | Malcolm |
| Williams, | rh | | Mr. | Alan |
| Williams, | | Mrs. | | Betty |
| Wills, | | Mr. | | Michael |
| Winnick, | | Mr. | | David |
| Winterton, | rh | | Ms | Rosie |
| Wood, | | | | Mike |
| Woolas, | | Mr. | | Phil |
| Wright, | | Mr. | | Anthony |
| Wright, | | | | David |
| Wright, | | Mr. | | Iain |
| Wright, | | Dr. | | Tony |
| Wyatt, | | | | Derek |

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| Tellers | for | | the | Noes: |
| Mr. | Alan | | Campbell | and |
| Ms | Diana | | R. | Johnson |

Question accordingly negatived.

Question, That the proposed words be there added, put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—

The House divided: Ayes 291, Noes 191.

AYES

| | | | | |
|------------|----|-----|-----|-----------|
| Abbott, | | Ms | | Diane |
| Ainger, | | | | Nick |
| Ainsworth, | rh | | Mr. | Bob |
| Alexander, | rh | | Mr. | Douglas |
| Allen, | | Mr. | | Graham |
| Anderson, | | Mr. | | David |
| Anderson, | | | | Janet |
| Atkins, | | | | Charlotte |
| Austin, | | Mr. | | Ian |
| Austin, | | | | John |

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|-----------------|-----|-----|-------|----------|
| Bailey, | | Mr. | | Adrian |
| Baird, | | | | Vera |
| Balls, | | rh | | Ed |
| Barlow, | | Ms | | Celia |
| Barron, | rh | | Mr. | Kevin |
| Battle, | | rh | | John |
| Bayley, | | | | Hugh |
| Beckett, | | rh | | Margaret |
| Bell, | | Sir | | Stuart |
| Benn, | | rh | | Hilary |
| Benton, | | Mr. | | Joe |
| Berry, | | | | Roger |
| Betts, | | Mr. | | Clive |
| Blackman, | | | | Liz |
| Blackman-Woods, | | | Dr. | Roberta |
| Blears, | | rh | | Hazel |
| Blizzard, | | Mr. | | Bob |
| Borrow, | Mr. | | David | S. |
| Bradshaw, | | Mr. | | Ben |
| Brennan, | | | | Kevin |
| Brown, | | | | Lyn |
| Brown, | rh | | Mr. | Nicholas |
| Brown, | | Mr. | | Russell |
| Browne, | | rh | | Des |
| Bryant, | | | | Chris |
| Buck, | | Ms | | Karen |
| Burden, | | | | Richard |
| Burgon, | | | | Colin |
| Burnham, | | rh | | Andy |
| Butler, | | Ms | | Dawn |
| Byers, | rh | | Mr. | Stephen |
| Byrne, | | Mr. | | Liam |
| Cairns, | | | | David |
| Campbell, | | Mr. | | Ronnie |
| Caton, | | Mr. | | Martin |
| Cawsey, | | Mr. | | Ian |
| Chapman, | | | | Ben |
| Chaytor, | | Mr. | | David |
| Clapham, | | Mr. | | Michael |
| Clark, | | Ms | | Katy |
| Clark, | | | | Paul |
| Clarke, | rh | | Mr. | Charles |
| Clarke, | rh | | Mr. | Tom |
| Clwyd, | | rh | | Ann |
| Coaker, | | Mr. | | Vernon |
| Coffey, | | | | Ann |

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|----------------|---------|-------|------|---------------------|----------------------|
| Cohen, | | | | | Harry |
| Cook, | | | | | Frank |
| Cooper, | | | | | Rosie |
| Corbyn, | | | | | Jeremy |
| Cousins, | | | | | Jim |
| Crausby, | | | Mr. | | David |
| Cummings, | | | | | John |
| Cunningham, | | | Mr. | | Jim |
| Cunningham, | | | | | Tony |
| Curtis-Thomas, | | | Mrs. | | Claire |
| Darling, | rh | | | Mr. | Alistair |
| David, | | | Mr. | | Wayne |
| Davidson, | | | Mr. | | Ian |
| Davies, | | | Mr. | | Quentin |
| Dean, | | | Mrs. | | Janet |
| Denham, | rh | | | Mr. | John |
| Devine, | | | Mr. | | Jim |
| Dismore, | | | Mr. | | Andrew |
| Dobbin, | | | | | Jim |
| Dobson, | | | rh | | Frank |
| Donohoe, | Mr. | | | Brian | H. |
| Doran, | | | Mr. | | Frank |
| Dowd, | | | | | Jim |
| Drew, | | | Mr. | | David |
| Eagle, | | | | | Angela |
| Eagle, | | | | | Maria |
| Etherington, | | | | | Bill |
| Farrelly, | | | | | Paul |
| Fitzpatrick, | | | | | Jim |
| Flello, | | | Mr. | | Robert |
| Flint, | | | | | Caroline |
| Flynn, | | | | | Paul |
| Follett, | | | | | Barbara |
| Foster, | Mr. | | | Michael | (<i>Worcester</i>) |
| Foster, | Michael | Jabez | | (<i>Hastings</i>) | <i>and</i> |
| Francis, | | | Dr. | | Hywel |
| Gapes, | | | | | Mike |
| Gardiner, | | | | | Barry |
| George, | rh | | | Mr. | Bruce |
| Gerrard, | | | Mr. | | Neil |
| Gibson, | | | Dr. | | Ian |
| Gilroy, | | | | | Linda |
| Godsiff, | | | Mr. | | Roger |
| Goggins, | | | | | Paul |
| Goodman, | | | | | Helen |
| Griffith, | | | | | Nia |

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|-----------------|------|------|------|----------|
| Griffiths, | | | | Nigel |
| Grogan, | | Mr. | | John |
| Gwynne, | | | | Andrew |
| Hain, | rh | | Mr. | Peter |
| Hall, | | Mr. | | Mike |
| Hall, | | | | Patrick |
| Hamilton, | | Mr. | | Fabian |
| Hanson, | rh | | Mr. | David |
| Harman, | rh | | Ms | Harriet |
| Harris, | | Mr. | | Tom |
| Havard, | | Mr. | | Dai |
| Henderson, | | Mr. | | Doug |
| Hendrick, | | Mr. | | Mark |
| Hepburn, | | Mr. | | Stephen |
| Heppell, | | Mr. | | John |
| Hesford, | | | | Stephen |
| Hewitt, | rh | | Ms | Patricia |
| Heyes, | | | | David |
| Hill, | | rh | | Keith |
| Hodge, | | rh | | Margaret |
| Hoey, | | | | Kate |
| Hoon, | rh | | Mr. | Geoffrey |
| Hope, | | | | Phil |
| Hopkins, | | | | Kelvin |
| Howarth, | rh | | Mr. | George |
| Howells, | | Dr. | | Kim |
| Hoyle, | | Mr. | | Lindsay |
| Hughes, | | rh | | Beverley |
| Humble, | | Mrs. | | Joan |
| Iddon, | | Dr. | | Brian |
| Illsley, | | Mr. | | Eric |
| Ingram, | rh | | Mr. | Adam |
| Irranca-Davies, | | | | Huw |
| James, | Mrs. | | Siân | C. |
| Jenkins, | | Mr. | | Brian |
| Johnson, | | rh | | Alan |
| Jones, | | | | Helen |
| Jones, | | Mr. | | Kevan |
| Jones, | | | | Lynne |
| Jones, | | Mr. | | Martyn |
| Jowell, | | rh | | Tessa |
| Joyce, | | Mr. | | Eric |
| Kaufman, | rh | | Sir | Gerald |
| Keeble, | | Ms | | Sally |
| Keeley, | | | | Barbara |
| Keen, | | | | Alan |

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|-------------------|----|-----|-----|----------|
| Keen, | | | | Ann |
| Kelly, | | rh | | Ruth |
| Khan, | | Mr. | | Sadiq |
| Kidney, | | Mr. | | David |
| Kilfoyle, | | Mr. | | Peter |
| Knight, | | | | Jim |
| Kumar, | | Dr. | | Ashok |
| Ladyman, | | Dr. | | Stephen |
| Lammy, | | Mr. | | David |
| Laxton, | | Mr. | | Bob |
| Lazarowicz, | | | | Mark |
| Lepper, | | | | David |
| Levitt, | | | | Tom |
| Lewis, | | Mr. | | Ivan |
| Linton, | | | | Martin |
| Lloyd, | | | | Tony |
| Love, | | Mr. | | Andrew |
| Lucas, | | | | Ian |
| Mackinlay, | | | | Andrew |
| Malik, | | Mr. | | Shahid |
| Mann, | | | | John |
| Marris, | | | | Rob |
| Marsden, | | Mr. | | Gordon |
| Marshall, | | Mr. | | David |
| Marshall-Andrews, | | | Mr. | Robert |
| McAvoy, | rh | | Mr. | Thomas |
| McCafferty, | | | | Chris |
| McCarthy, | | | | Kerry |
| McCarthy-Fry, | | | | Sarah |
| McCartney, | rh | | Mr. | Ian |
| McDonagh, | | | | Siobhain |
| McDonnell, | | | | John |
| McFadden, | | Mr. | | Pat |
| McFall, | | rh | | John |
| McGovern, | | Mr. | | Jim |
| McIsaac, | | | | Shona |
| McKechin, | | | | Ann |
| McKenna, | | | | Rosemary |
| McNulty, | | Mr. | | Tony |
| Meale, | | Mr. | | Alan |
| Merron, | | | | Gillian |
| Michael, | | rh | | Alun |
| Milburn, | rh | | Mr. | Alan |
| Miliband, | | rh | | Edward |
| Miller, | | | | Andrew |
| Moffat, | | | | Anne |

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|------------|----|------|------------|
| Moffatt, | | | Laura |
| Mole, | | | Chris |
| Moon, | | Mrs. | Madeleine |
| Moran, | | | Margaret |
| Morden, | | | Jessica |
| Morgan, | | | Julie |
| Morley, | rh | | Mr. Elliot |
| Mountford, | | | Kali |
| Mudie, | | Mr. | George |
| Mullin, | | Mr. | Chris |
| Munn, | | | Meg |
| Murphy, | | Mr. | Denis |
| Murphy, | | Mr. | Jim |
| Murphy, | rh | | Mr. Paul |
| Naysmith, | | Dr. | Doug |
| Norris, | | | Dan |
| O'Brien, | | Mr. | Mike |
| O'Hara, | | Mr. | Edward |
| Olnier, | | Mr. | Bill |
| Osborne, | | | Sandra |
| Owen, | | | Albert |
| Palmer, | | Dr. | Nick |
| Pearson, | | | Ian |
| Plaskitt, | | Mr. | James |
| Pope, | | Mr. | Greg |
| Pound, | | | Stephen |
| Prentice, | | | Bridget |
| Prentice, | | Mr. | Gordon |
| Primarolo, | | rh | Dawn |
| Prosser, | | | Gwyn |
| Purchase, | | Mr. | Ken |
| Purnell, | | rh | James |
| Raynsford, | rh | | Mr. Nick |
| Reed, | | Mr. | Andy |
| Reed, | | Mr. | Jamie |
| Reid, | | rh | John |
| Robertson, | | | John |
| Robinson, | | Mr. | Geoffrey |
| Rooney, | | Mr. | Terry |
| Roy, | | Mr. | Frank |
| Ruane, | | | Chris |
| Ruddock, | | | Joan |
| Russell, | | | Christine |
| Salter, | | | Martin |
| Seabeck, | | | Alison |
| Shaw, | | | Jonathan |

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|---------|--|-----|--|---------|
| Wright, | | Mr. | | Anthony |
| Wright, | | | | David |
| Wright, | | Mr. | | Iain |
| Wright, | | Dr. | | Tony |
| Wyatt, | | | | Derek |

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| Tellers | | for | | the | | Ayes: |
| Mr. | | | | | | |
| Ms | Alan | | | Campbell | | and |
| | Diana | | | R. | | Johnson |

NOES

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|--------------|----|--|-----|-----|-----|----------|
| Afriyie, | | | | | | Adam |
| Ainsworth, | | | Mr. | | | Peter |
| Alexander, | | | | | | Danny |
| Amess, | | | Mr. | | | David |
| Ancram, | rh | | | Mr. | | Michael |
| Arbuthnot, | rh | | | Mr. | | James |
| Bacon, | | | Mr. | | | Richard |
| Baker, | | | | | | Norman |
| Baron, | | | Mr. | | | John |
| Barrett, | | | | | | John |
| Beith, | rh | | | Mr. | | Alan |
| Bellingham, | | | Mr. | | | Henry |
| Benyon, | | | Mr. | | | Richard |
| Bercow, | | | | | | John |
| Beresford, | | | Sir | | | Paul |
| Binley, | | | Mr. | | | Brian |
| Blunt, | | | Mr. | | | Crispin |
| Bone, | | | Mr. | | | Peter |
| Boswell, | | | Mr. | | | Tim |
| Brady, | | | Mr. | | | Graham |
| Brazier, | | | Mr. | | | Julian |
| Breed, | | | Mr. | | | Colin |
| Brokenshire, | | | | | | James |
| Brooke, | | | | | | Annette |
| Browne, | | | Mr. | | | Jeremy |
| Burns, | | | Mr. | | | Simon |
| Butterfill, | | | Sir | | | John |
| Cable, | | | Dr. | | | Vincent |
| Campbell, | | | Mr. | | | Gregory |
| Campbell, | rh | | | | Sir | Menzies |
| Carmichael, | | | Mr. | | | Alistair |
| Carswell, | | | Mr. | | | Douglas |
| Cash, | | | Mr. | | | William |

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|------------------|-------|------|---------|-------------------|
| Chope, | | Mr. | | Christopher |
| Clappison, | | Mr. | | James |
| Clark, | | | | Greg |
| Clarke, | rh | | Mr. | Kenneth |
| Clifton-Brown, | | Mr. | | Geoffrey |
| Conway, | | | | Derek |
| Cormack, | | Sir | | Patrick |
| Cox, | | Mr. | | Geoffrey |
| Crabb, | | Mr. | | Stephen |
| Davies, | | Mr. | | Dai |
| Davies, | David | | T.C. | <i>(Monmouth)</i> |
| Davies, | | | | Philip |
| Djanogly, | | Mr. | | Jonathan |
| Dodds, | | Mr. | | Nigel |
| Donaldson, | rh | Mr. | Jeffrey | M. |
| Duddridge, | | | | James |
| Ellwood, | | Mr. | | Tobias |
| Evans, | | Mr. | | Nigel |
| Featherstone, | | | | Lynne |
| Field, | | Mr. | | Mark |
| Foster, | | Mr. | | Don |
| Francois, | | Mr. | | Mark |
| Fraser, | | Mr. | | Christopher |
| Gale, | | Mr. | | Roger |
| Garnier, | | Mr. | | Edward |
| Gauke, | | Mr. | | David |
| George, | | | | Andrew |
| Gidley, | | | | Sandra |
| Gillan, | | Mrs. | | Cheryl |
| Goodman, | | Mr. | | Paul |
| Goodwill, | | Mr. | | Robert |
| Grayling, | | | | Chris |
| Green, | | | | Damian |
| Greenway, | | Mr. | | John |
| Gummer, | rh | | Mr. | John |
| Hammond, | | Mr. | | Philip |
| Hammond, | | | | Stephen |
| Harper, | | Mr. | | Mark |
| Harvey, | | | | Nick |
| Hayes, | | Mr. | | John |
| Heald, | | Mr. | | Oliver |
| Heath, | | Mr. | | David |
| Heathcoat-Amory, | rh | | Mr. | David |
| Hemming, | | | | John |
| Hendry, | | | | Charles |
| Herbert, | | | | Nick |

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|-------------|----|------|-----|---------|
| Hoban, | | Mr. | | Mark |
| Hogg, | rh | | Mr. | Douglas |
| Hollobone, | | Mr. | | Philip |
| Horam, | | Mr. | | John |
| Horwood, | | | | Martin |
| Hosie, | | | | Stewart |
| Hughes, | | | | Simon |
| Huhne, | | | | Chris |
| Hunt, | | Mr. | | Jeremy |
| Hunter, | | | | Mark |
| Hurd, | | Mr. | | Nick |
| Jack, | rh | | Mr. | Michael |
| Jackson, | | Mr. | | Stewart |
| Kawczynski, | | | | Daniel |
| Key, | | | | Robert |
| Kirkbride, | | Miss | | Julie |
| Knight, | rh | | Mr. | Greg |
| Kramer, | | | | Susan |
| Lamb, | | | | Norman |
| Laws, | | Mr. | | David |
| Leigh, | | Mr. | | Edward |
| Letwin, | rh | | Mr. | Oliver |
| Lidington, | | Mr. | | David |
| Llwyd, | | Mr. | | Elfyn |
| Loughton, | | | | Tim |
| Luff, | | | | Peter |
| Mackay, | rh | | Mr. | Andrew |
| Maclean, | | rh | | David |
| Main, | | | | Anne |
| Malins, | | Mr. | | Humfrey |
| Maples, | | Mr. | | John |
| Mates, | rh | | Mr. | Michael |
| McCrea, | | Dr. | | William |
| McIntosh, | | Miss | | Anne |
| McLoughlin, | rh | | Mr. | Patrick |
| Mercer, | | | | Patrick |
| Miller, | | Mrs. | | Maria |
| Milton, | | | | Anne |
| Mitchell, | | Mr. | | Andrew |
| Moss, | | Mr. | | Malcolm |
| Mundell, | | | | David |
| Murrison, | | Dr. | | Andrew |
| Neill, | | | | Robert |
| Newmark, | | Mr. | | Brooks |
| O'Brien, | | Mr. | | Stephen |
| Osborne, | | Mr. | | George |

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|------------|----|------|----------|
| Ottaway, | | | Richard |
| Paice, | | Mr. | James |
| Pelling, | | Mr. | Andrew |
| Penning, | | | Mike |
| Penrose, | | | John |
| Price, | | | Adam |
| Prisk, | | Mr. | Mark |
| Pritchard, | | | Mark |
| Pugh, | | Dr. | John |
| Randall, | | Mr. | John |
| Redwood, | rh | | Mr. |
| Rennie, | | | John |
| Robathan, | | | Willie |
| Robertson, | | Mr. | Andrew |
| Robertson, | | | Hugh |
| Robertson, | | Mr. | Laurence |
| Rogerson, | | | Dan |
| Rosindell, | | | Andrew |
| Rowen, | | | Paul |
| Russell, | | | Bob |
| Sanders, | | Mr. | Adrian |
| Scott, | | Mr. | Lee |
| Shepherd, | | Mr. | Richard |
| Simmonds, | | | Mark |
| Smith, | | Sir | Robert |
| Soames, | | Mr. | Nicholas |
| Spicer, | | Sir | Michael |
| Spink, | | | Bob |
| Spring, | | Mr. | Richard |
| Stanley, | rh | | Sir |
| Steen, | | Mr. | John |
| Streeter, | | Mr. | Anthony |
| Stuart, | | Mr. | Gary |
| Swayne, | | Mr. | Graham |
| Syms, | | Mr. | Desmond |
| Tapsell, | | Sir | Robert |
| Taylor, | | Mr. | Peter |
| Taylor, | | | Ian |
| Thurso, | | | Matthew |
| Tyrie, | | Mr. | John |
| Vaizey, | | Mr. | Andrew |
| Vara, | | Mr. | Edward |
| Villiers, | | Mrs. | Shailesh |
| Walker, | | Mr. | Theresa |
| Wallace, | | Mr. | Charles |
| Walter, | | Mr. | Ben |
| Waterson, | | Mr. | Robert |
| | | | Nigel |

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|---------------|-----|-----|----------|
| Watkinson, | | | Angela |
| Webb, | | | Steve |
| Weir, | Mr. | | Mike |
| Whittingdale, | | Mr. | John |
| Wiggin, | | | Bill |
| Willetts, | Mr. | | David |
| Williams, | | | Hywel |
| Williams, | Mr. | | Roger |
| Williams, | | | Stephen |
| Willis, | Mr. | | Phil |
| Willetts, | | | Jenny |
| Wilson, | Mr. | | Rob |
| Wilson, | | | Sammy |
| Winterton, | | | Ann |
| Winterton, | Sir | | Nicholas |
| Wishart, | | | Pete |
| Wright, | | | Jeremy |
| Yeo, | Mr. | | Tim |
| Young, | | rh | Sir |
| Younger-Ross, | | | George |
| | | | Richard |

Tellers for the Noes:

| | | | |
|-----------------|--------------------|---------------|------------|
| Mr. | David | Evennett | and |
| Mr. | Mark | | Lancaster |
| <i>Question</i> | <i>accordingly</i> | <i>agreed</i> | <i>to.</i> |

madam deputy speaker *declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the policies of this Government to tackle pensioner poverty which have lifted two million pensioners out of absolute poverty and one million out of relative poverty, the action to tackle the legacy of pensions mis-selling, support occupational pensions through a Pension Protection Fund set up for the first time and a new Pensions Regulator, further support for 125,000 people through the Financial Assistance Scheme whose occupational pensions were affected by employer insolvency, set out the long-term framework for pensions through the new Pensions Bill, including re-linking the basic State Pension to average earnings, introduce a new scheme of low cost personal accounts and stakeholder pensions of which over three million have been created, remove the dividend tax credit, make reductions in corporation tax which have contributed to the 50 per cent. rise in business investment, broke public sector pension agreements which ensure a fair deal for today's and tomorrow's public sector workers and introduce free television licences and the Pension Credit to provide an additional framework of support for today's pensioners.'