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Responding to the Downturn and Planning the Future Economy

The Committee consisted of the following Members:

Chairman: Mr. Clive Betts

Balls, Ed (*Normanton*) (Lab/Co-op)

Barron, Mr. Kevin (*Rother Valley*) (Lab)

Battle, John (*Leeds, West*) (Lab)

Bayley, Hugh (*City of York*) (Lab)

Benn, Hilary (*Leeds, Central*) (Lab)

Blunkett, Mr. David (*Sheffield, Brightside*) (Lab)

† Burgon, Colin (*Elmet*) (Lab)

Caborn, Mr. Richard (*Sheffield, Central*) (Lab)

† Cawsey, Mr. Ian (*Brigg and Goole*) (Lab)

Challen, Colin (*Morley and Rothwell*) (Lab)

† Clapham, Mr. Michael (*Barnsley, West and Penistone*) (Lab)

Clegg, Mr. Nick (*Sheffield, Hallam*) (LD)

Cooper, Yvette (*Pontefract and Castleford*) (Lab)

† Creagh, Mary (*Wakefield*) (Lab)

† Cryer, Mrs. Ann (*Keighley*) (Lab)

Curry, Mr. David (*Skipton and Ripon*) (Con)

† Davies, Philip (*Shipley*) (Con)

Davis, David (*Haltemprice and Howden*) (Con)

† Ennis, Jeff (*Barnsley, East and Mexborough*) (Lab)

† Flint, Caroline (*Don Valley*) (Lab)

† Goodwill, Mr. Robert (*Scarborough and Whitby*) (Con)

Greenway, Mr. John (*Ryedale*) (Con)

† Grogan, Mr. John (*Selby*) (Lab)

Hague, Mr. William (*Richmond, Yorks*) (Con)

Hamilton, Mr. Fabian (*Leeds, North-East*) (Lab)

Healey, John (*Wentworth*) (Lab)

Illsley, Mr. Eric (*Barnsley, Central*) (Lab)

Johnson, Alan (*Kingston upon Hull, West and Hessle*) (Lab)

† Johnson, Ms Diana R. (*Parliamentary Under-Secretary of State for Children, Schools and Families*)

Knight, Mr. Greg (*East Yorkshire*) (Con)

McCafferty, Chris (*Calder Valley*) (Lab)

McIntosh, Miss Anne (*Vale of York*) (Con)

McIsaac, Shona (*Cleethorpes*) (Lab)

MacShane, Mr. Denis (*Rotherham*) (Lab)

Malik, Mr. Shahid (*Dewsbury*) (Lab)

Miliband, Edward (*Doncaster, North*) (Lab)

† Mitchell, Mr. Austin (*Great Grimsby*) (Lab)

† Morley, Mr. Elliot (*Scunthorpe*) (Lab)

† Mountford, Kali (*Colne Valley*) (Lab)

Mudie, Mr. George (*Leeds, East*) (Lab)

Mulholland, Greg (*Leeds, North-West*) (LD)

† Munn, Meg (*Sheffield, Heeley*) (Lab/Co-op)

Prescott, Mr. John (*Kingston upon Hull, East*) (Lab)

Riordan, Mrs. Linda (*Halifax*) (Lab/Co-op)

Rooney, Mr. Terry (*Bradford, North*) (Lab)

Sheerman, Mr. Barry (*Huddersfield*) (Lab/Co-op)

Singh, Mr. Marsha (*Bradford, West*) (Lab)

Smith, Ms Angela C. (*Sheffield, Hillsborough*) (Lab)

Stuart, Mr. Graham (*Beverley and Holderness*) (Con)

Sutcliffe, Mr. Gerry (*Bradford, South*) (Lab)

† Trickett, Jon (*Hemsworth*) (Lab)

† Truswell, Mr. Paul (*Pudsey*) (Lab)

† Willis, Mr. Phil (*Harrogate and Knaresborough*) (LD)

† Winterton, Ms Rosie (*Minister for Yorkshire and the Humber*)

Wood, Mike (*Batley and Spen*) (Lab)

Chris Stanton, Mark Oxborough, *Committee Clerks*

† attended the Committee

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Yorkshire and the Humber Regional Grand Committee

Thursday 29 October 2009

(Barnsley)

[Mr. Clive Betts in the Chair]

Responding to the Downturn and Planning the Future Economy

3 pm

The Chairman: I welcome everyone to this historic first meeting of the Regional Grand Committee for Yorkshire and the Humber, and thank the mayor for his warm words of welcome. I also thank him and Barnsley council for their hospitality, and for making these splendid premises available to us. It is fitting that we are here in Barnsley, where people enjoy their politics and like a good argument, provided that it is conducted fairly and reasonably. I will pass those thanks on to the mayor.

Oral Answers to QuestionsThe Minister for Yorkshire and the Humber was asked—

European Structural Funding

1. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What recent assessment she has made of the effect of European structural funding on levels of employment in Scarborough and Whitby. [296295]

The Minister for Yorkshire and the Humber (Ms Rosie Winterton): With your permission, Mr. Betts, I would like to add my thanks to Barnsley council and the mayor for their warm welcome today.

The most recent assessment is that since 2000, European structural funds have helped to create an estimated 1,079 new jobs in the Scarborough district. They are estimated to have contributed additional gross value added of £33 million to the local economy.

Mr. Goodwill: The Government have recently been fined a record £285 million in financial penalties by the European Union because of a failure to follow procurement rules, and a lack of supporting documentation to account for expenditure from the European regional development fund. Given that the ERDF's primary purpose is to provide funding to boost economic development in places such as Scarborough, does the Minister regret that significant amounts of funding for such areas have been lost due to administrative incompetence?

Ms Winterton: In terms of reconciling end-of-period accounts, there are ongoing discussions about the audit process. I have had meetings with the European Commissioner, not only on how to ensure that some of the issues with past accounts are resolved as quickly as possible but—looking to the future and the new money

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that will come into the region in the current spending period, up to 2013—on putting in place a fair audit system that is easily understood by all involved.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): What funding has been made available generally in South Yorkshire as a result of European structural funding, and will she explain how that has impacted on the engineering industry there? It is so important to Barnsley to have access to jobs that are created as a result of incoming investment. It would be helpful if she could say a few words about how the funding has impacted positively on South Yorkshire.

Ms Winterton: Objective 1 funding between 2000 and 2006 provided around £767 million of European funds in South Yorkshire. Some of the issues with particular funding concerned promoting innovation, research and development, and economic infrastructure and regeneration projects for the development of the economy in South Yorkshire. All of us who have seen that funding working in action would say that over the past few years it has been immensely helpful in getting people back to work and in creating new jobs in a part of the country that had been badly damaged in 18 years of Conservative rule. We have benefited from that funding, and we will continue to do so under the new arrangements.

Trans-Pennine Rail Services

2. **Meg Munn** (Sheffield, Heeley) (Lab/Co-op): What recent discussions she has had with the Secretary of State for Transport on improvements to trans-Pennine rail services. [296296]

Ms Winterton: On 20 October, I met the Secretary of State for Transport to press the case for a high-speed rail link to the region and to examine the need for ongoing investment in the existing rail lines, including the east coast main line, the midland main line and the trans-Pennine routes.

Meg Munn: I thank my right hon. Friend for her answer. I am sure that she is aware of research that has been done on the benefits of improving the trans-Pennine link and agrees that it is very important that we start to consider that—not just to improve the economy, but particularly to relieve the incredible pressures on the roads between this part of Yorkshire and the north-west. Will she commit to pressing harder for that to be considered and to putting right one of the fundamental faults that there has been in our railways in the UK? I am referring to the fact that greater attention is paid to the north-south links than to the east-west links.

Ms Winterton: My hon. Friend is right to say how important it is that we consider the economic benefits that would stem from improved routes across the north. That includes going right up to some of the Teesside ports and across to Liverpool, but it also includes benefits that would flow to the Humber ports. The route utilisation strategy published yesterday by Network Rail has been considering, for example, the most immediate priorities for electrification, and the Government will examine it closely.

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Of course, there have been some improvements recently. For example, Yorkshire Forward has invested in new rolling stock to be used on many of the trans-Pennine routes. The Government have commissioned work on the Manchester hub to consider what improvements can be made. However, my hon. Friend is right to say that getting those links right is crucial for the northern economy. This is not just about north-south; it is about routes across the north as well.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The Government's transport policy seems to stop, as far as Yorkshire is concerned, at either York or Leeds. If a place such as Harrogate, which is one of the great economic strengths of the whole Yorkshire region, is to survive in the economic circumstances of the future, transport will be crucial. However, the strategy published yesterday makes no mention at all of routes into Harrogate, despite the fact that companies such as Hull Trains and Grand Central were prepared to put trains into Harrogate at no cost to the Government. What attempt is the Minister making to ensure that we play to some of our economic strengths? I am thinking particularly of the conference and exhibition business in Harrogate.

Ms Winterton: I have attended the conference centre in Harrogate on a number of occasions and I know about the importance of the transport, particularly the rail links. As I said, Yorkshire Forward has invested in improved rolling stock; I understand that some of that goes to Harrogate as well. It is important, in terms of the overall transport strategy, that we should acknowledge the increased investment that the Government have put into public transport in Yorkshire and the Humber and into improved rail transport. At the moment, a comprehensive view is being taken of not only the next five to 10 years but, through the high-speed rail process, of the next 30 years. I agree with the hon. Gentleman that, in having those discussions, we must not forget the importance of good rail links throughout our region. I assure him that I will continue to press that case.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Will my right hon. Friend the Minister be able to use her good offices to help to co-ordinate the efforts to get better rail links in the area? For a while now, in my own area, we have been pushing ahead with trying to improve the line from Goole to Leeds and then through to Hull the other way. I know that the Minister is aware of the Capitol Park project on the edge of Goole, which will produce 5,000 jobs and will require greater mobility of labour. Although we have the M62, it would be good to have some train links as well.

We have a number of railway stations—not just the main ones such as Leeds and Goole but others down the line, such as Rawcliffe and Snaith. I remember having a photograph taken with my hon. Friend the Member for Selby at Snaith railway station, when we stood in front of a large timetable which had only one service on it and a lot of white space underneath. As the area is growing rapidly as a commuter base, we need to find ways to encourage more rail into it. The difficulty is that when one sits down with all the bodies involved in improving rail services, there are so many that it is like wading through treacle; everybody always agrees that it is a good idea but nobody knows who should take responsibility for it. Perhaps the Minister could help draw those sorts of people together.

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Ms Winterton: That is obviously a splendid idea. Perhaps my hon. Friend can make some recommendations for the small group of experts that we will be convening. As I said earlier, the rail utilisation scheme cases put forward yesterday showed that it was important to look at the cross-Pennine routes, particularly between Manchester and Leeds, although there is also the bit via Huddersfield. The scheme also looked at the routes between York and Hull, so there is an attempt to acknowledge the need for improved links in the Humber area.

My hon. Friend is right to say how important some of the changes in transport infrastructure are. One of the first projects to be brought forward under the fiscal stimulus looked at the A180 in my hon. Friend's area. Such projects can contribute during the downturn by keeping people in work and looking to future recovery. However, I will certainly look at my hon. Friend's idea for an expert group to examine these matters.

Mr. Goodwill : Given that many people may be planning a post-Christmas break to get away from our often dismal weather and our even more dismal economic situation, does the Minister, as a former Transport Minister, regret that there will be no Boxing day trans-Pennine express service to Manchester airport?

Ms Winterton: I have to confess that until this moment I did not know that there was not going to be a Boxing day trans-Pennine express. However, that might be something that we can bring to the attention of the relevant train operator as a result of this meeting. I am sure that the company will be aware that it is a matter of concern.

Mr. Paul Truswell (Pudsey) (Lab): My right hon. Friend will be aware that the 2007 rail White Paper and the high level output specification recognised that overcrowding on rail services in Leeds and west Yorkshire was among the worst in the entire country. Partly as a result, there was a proposal for Northern Rail to receive an extra 182 carriages. We understand that that figure has now been halved.

Will the Minister tell us what representation she is making on behalf of Leeds and west Yorkshire to her colleagues in the Department for Transport to get extra carriages for the area, so that we can tackle the scourge of overcrowding and the so-called sardine syndrome on an equitable worst-first basis?

Ms Winterton: My hon. Friend is right to draw attention to the overcrowding and difficulties on that line. I think the HLOS report set a journey-time requirement of 43 minutes between Manchester and Leeds. I understand that Network Rail is currently looking at the infrastructure schemes and the timetables needed to deliver that. He is also right to say that there was an issue of rolling stock. That is why Yorkshire Forward—along with Government investment—committed funding to providing extra carriages.

The Secretary of State for Transport visited Leeds in July and my hon. Friend the Member for Barnsley, East and Mexborough and I met him and representatives of local authorities and Northern Way to discuss a number of the problems that commuters experience on the lines. The Secretary of State undertook to consider the problems, and we will follow that up with him.

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Colin Burgon (Elmet) (Lab): The Minister mentioned that Yorkshire Forward, a public sector organisation, is investing in rolling stock. I think that, nationally, the public put £8 billion into the private railway companies. If we are ever to have an integrated transport system covering rail and buses nationally—never mind in Yorkshire—does she not agree that we should take steps, starting with the east coast main line, to bring the whole transport system back under public ownership?

Ms Winterton: I am sure that my hon. Friend welcomed the east coast main line's change of ownership. On the new contracts, it is important that we ensure that we get the best value for money and that the companies, if they bid for them, are able to deliver what we want—namely, high-quality rail services both to and within the Yorkshire and Humber region.

On completely renationalising the rail service, I think that my hon. Friend may have a different view. The Government's current difficulty involves balancing many of the demands on the public sector, and ensuring that we use our resources to help the country through the recession and that we plan for the future economy. As I am sure my hon. Friend is aware, complete renationalisation might take resources away from other projects in which we might also want to invest.

Kali Mountford (Colne Valley) (Lab): I recently had cause to complain to Network Rail that so much was being spent on an exhibition about St. Pancras and King's Cross. I had discovered that funding was being delayed on expenditure on access for disabled people in

stations across trans-Pennine routes. Will my right hon. Friend look at whether we can speed up the process of access for disabled people? Disabled people can also contribute to our area's economy and they should not be left out of the entire process. I speak as one who might benefit from such provision.

Ms Winterton: That takes me back to when I was a Transport Minister and had some of the responsibility for accessibility. There is a planned programme and it is important for us to ensure that it is adhered to. However, when I was a Transport Minister, it seemed to me that, in some instances, the programme could have been taken forward more quickly. I will write to Network Rail and others to ask about the situation in Yorkshire and the Humber and what might be done to ensure that it is fulfilled as quickly as possible. My hon. Friend is right to say that the matter is of huge concern to many people.

Public Expenditure

3. **Mr. Austin Mitchell** (Great Grimsby) (Lab): How much public expenditure there was per capita in Yorkshire and the Humber in the latest period for which figures are available; and if she will make a statement. [296297]

Ms Winterton: The latest data from the public expenditure statistical analysis show that in 2007-08 the total identifiable expenditure on services per head in Yorkshire and the Humber was £7,329. Expenditure per head in Yorkshire and the Humber has increased by more than 60 per cent. in real terms since 1996-97.

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Mr. Mitchell: I thank my right hon. Friend for that answer and congratulate her and the Government on increasing public spending per head in Yorkshire to those levels, because that is a vital stimulus for development and jobs in the region. The region, I am sure, will note that the Conservative party wants to cut back total spending in the region and are flirting with the abolition of Yorkshire Forward, which has done so much to bring jobs into the area. Looking at the figures for other regions, I noted with concern that Scotland, which has lower unemployment and less deprivation than Yorkshire and the Humber, gets nearly £2,000 more per head in public spending than we do, while London, the great wen that siphons development out of the north and gets all the goodies such as the Olympic games, gets even more public spending per head. Will the Minister undertake to get our level of public spending per head up to those levels?

Ms Winterton: There are constant debates about expenditure in Scotland, which relates to the Barnett formula as well as everything else. As many of our constituents will use and benefit from the huge projects in London, discussions about expenditure there can get distorted slightly, so it is a difficult comparison. I repeat: under this Government, expenditure in Yorkshire and the Humber has increased by 60 per cent. to become the fifth highest for the English regions, so we are in the middle. Of course we all want more expenditure, but my hon. Friend is also right that the Conservative proposal for cuts would be disastrous for our region.

Philip Davies (Shipley) (Con): The Minister's answer to the hon. Gentleman was totally inadequate. A body no less than the Institute for Public Policy Research last year found:

"The northern regions receive less public funding for transport per head than other regions and their roads are in worse overall condition than anywhere else in England"

Why is the Minister not ensuring that Yorkshire and the Humber gets a fair share of existing spending?

Ms Winterton: As I have said, spending on transport has increased in Yorkshire and the Humber. It is also important to remember that our region has benefited as well from changes in the London infrastructure, particularly the connections into Europe, such as the development of St. Pancras. Those things are important to us. At the same time, we need to remember that the Government have tried to allocate funding at regional level so regions can make decisions about priorities in their areas, and in that respect overall public expenditure on transport has increased by about 20 per cent. in real terms. Therefore, what effect would the cuts that the hon. Gentleman's party has been talking about have on the Yorkshire and the Humber transport budget?

Mr. Elliot Morley (Scunthorpe) (Lab): I am sure that my right hon. Friend would agree that the public sector has a crucial role to play in economic development, not only in what it does directly but also in partnership with the private sector. For example, the Minister will be aware of the announcement this week of a huge expansion of offshore wind off the Lincolnshire coast. Already, in Scunthorpe the steel plate is made for the towers of those turbines, there is another company in Scunthorpe

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that maintains the gearboxes for offshore wind turbines and there is real potential for Grimsby, Immingham and Hull and the Humber itself to become centres for green jobs, with new technology and, in particular, the offshore sector. My council of North Lincolnshire and the councils of North East Lincolnshire, Hull City and East Riding of Yorkshire strongly support that. What are the Government doing to work with those councils and the regional development agency to grab the opportunities for new jobs?

Ms Winterton: I have had meetings with the Humber Economic Partnership and North East Lincolnshire council about the huge potential for development of the offshore wind industry, not least because of the deep water of the Humber, the flat land around it and the fact that a lot of the turbines would be put down close to the Humber estuary. We have been engaged in a number of discussions through Government, facilitated by Yorkshire Forward, to try to ensure that we set up the infrastructure to enable that to happen. Obviously, some of the discussions have been commercially confidential, but I can assure my right hon. Friend that there is a lot of work going into how we can make it happen. It is crucial as well for the overall energy policy that we want to develop, not only in Yorkshire and the Humber but across the north in terms of clusters of energy industries that would make us world leaders.

Mr. Willis : May I say to the Minister that I was not an enthusiast when the regional development agencies were set up? I was wrong as far as Yorkshire and the Humber is concerned. Yorkshire Forward has grasped the nettle probably more than any other region in the whole country, quite frankly. It has picked up the real issues of interfacing between the public and private sector and doing real projects, one of which is a multi-million pound support for the Harrogate international centre. I put it on record that we are enormously grateful for Yorkshire Forward's contribution to that.

The hon. Member for Great Grimsby and indeed the hon. Member for Shipley make a very real point about getting our fair share. I think the mechanisms are in place to divide that share in a sophisticated, open and transparent way. The reality is that Yorkshire and the Humber is roughly the same size as Scotland, yet if we look at the difference in overall spend in Yorkshire and the Humber, and if we strip out the European social funds coming into south Yorkshire, we are usually disadvantaged. May I ask the Minister in a spirit of co-operation and generosity and all the rest of it—

The Chairman: And a little more quickly, please.

Mr. Willis: May we send a strong message from the Grand Committee, even it is the only meeting that it ever has? If we had a link between the regional GDP and the amount of money that was allocated, Yorkshire and the Humber would get its fair share, because we have one of the lowest GDPs in the whole of the country.

The Chairman: Will the hon. Gentleman come to a conclusion, please?

Mr. Willis: Will the Minister please take that message on board and give the Grand Committee an assurance that she will take that to the powers in London?

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The Chairman: Order. Before the Minister responds, can I ask Members to keep their questions a little shorter rather than make a speech?

Ms Winterton: I am sure that Yorkshire Forward will appreciate the hon. Gentleman's comments. He might like to pass them on to his shadow Chancellor, who I understand said that Liberal Democrat policy at the moment is to abolish regional development agencies.

Mr. Willis: In the south-east.

Ms Winterton: Only in the south-east. That's good.

It is appreciated that, particularly during the downturn, the regional development agency—Yorkshire Forward—has worked extremely hard not only to provide immediate help but to look to the future.

Mr. Betts, one of the great advantages of having our Grand Committee in Yorkshire and the Humber is being able to highlight issues. Everything now goes on the parliamentary record, and I am sure the comments about the Barnett formula will be passed to Treasury and other Ministers.

Mr. Goodwill: Taking out the distortions caused by funding in Scotland, Wales and Northern Ireland, is it not the case that this region receives £453 less per capita than the English average? That is an absolute disgrace, given the deprivation factors pointed out by the hon. Member for Harrogate and Knaresborough.

Ms Winterton: As I have said, Yorkshire and the Humber is fifth in the league tables and over the time of a Labour Government the allocations have increased considerably. A number of formulas have been used. About £550 million was announced in November 2007 for local authorities across Yorkshire and the Humber to invest in highway maintenance. More than £40 million was transferred from regional funding allocation to local authorities to enable small schemes to be brought forward; £1 billion is being invested in upgrading the A1 through Yorkshire.

There is a whole series of ways in which we have increased investment in Yorkshire and the Humber. It is important that we will be putting together regional strategies through the RDA and local authorities to set out the transport priorities in the region. As we can link that with planning and the economy, it gives us the ammunition to argue why these schemes are so important. That is an approach that the Conservative party is determined to unravel.

Mr. Cawsey : I was pleased to hear that the funding for this area places us fifth in the league table. As a supporter of Grimsby Town that sounds like heaven to me. Is she aware that last week—indeed you were present, Mr. Betts—the Regional Select Committee interviewed employer organisations across the area? They all said that the RDA Yorkshire Forward needs to continue and be supported by the Government and that it would be a retrograde step for employment in the area if it went away. Moreover if money were delegated down to local councils, good job though they do, that would in itself bring a whole series of unfairnesses. How would a small town like Goole battle for Capitol Park and the 5,000 jobs if it was just down to a small council as opposed to the funding that we got both from the Government and the RDA?

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Ms Winterton: My hon. Friend has repeated what I have heard from the many businesses that I meet in the Yorkshire and Humber region. The regional approach, working with the RDA, has been right in ensuring that we not only help businesses and individuals in the downturn but, crucially, plan for the future. It would be almost impossible to envisage how we could, for example, expand the energy development industries across the region through the efforts of individual local authorities. North East Lincolnshire has done a good job in terms of the offshore wind facilities, but it needs the assistance of a regional approach to be able to deliver. To take that away would be disastrous.

4. **Philip Davies:** What discussions she has had with the Yorkshire and the Humber regional transport board on allocation of funding to transport projects in Shipley constituency.

Ms Winterton: I attended as an observer a meeting of the regional transport board on 4 April 2008 where the connecting Airedale scheme was discussed. It was not prioritised at that time, but in July the Government transferred £35 million to West Yorkshire local authorities and the Saltaire roundabout scheme is currently being developed as a result.

Philip Davies: I will take her reply to mean that she has not had any discussions about funding for the Shipley constituency. Saltaire roundabout is one of the most congested places in the whole of West Yorkshire. It is a world heritage site and it does not really help the visitor experience when they get completely snarled up in traffic. Why should an unelected and unaccountable regional transport board be able to frustrate the plans of local residents, which the democratically elected council in Bradford wants to bring about?

Ms Winterton: First, there are elected local councillors on the regional transport board. What is important about it is that decisions can be made at a regional level. Local authority leaders and others come together to decide what to do with the overall regional allocation. That is a far better way of doing things than civil servants in Whitehall, hard as they work and brilliant as they are, deciding on how to spend Yorkshire's money. As I reiterated previously, in July we followed the advice of the regional funding board, which asked us to allocate money to local authorities so that they can pursue the kind of individual schemes that the hon. Gentleman is talking about. Something like £35 million was allocated to West Yorkshire authorities, and that is why the Saltaire roundabout scheme is being developed. That absolutely follows his point.

Mrs. Ann Cryer (Keighley) (Lab): I want to talk about transport through Shipley, which eventually links to my constituency, and to ask my right hon. Friend about the rail transport links on the Airedale and Wharfedale lines. We have chronic overcrowding on both lines during the early morning and at tea time, to the point where it is almost impossible to get anyone else on—people are crammed like sardines. I understand that the stock will be supplemented with stock cascaded down from other lines. When will we get that extra stock so that we can supplement the timetable, and will

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the Airedale and Wharfedale lines eventually get new stock hot off the press rather than having

ancient cascaded stock?

When we were elected into Government in 1997, we were still living with slam-door stock, which meant that one took one's life in one's hands just closing the door. I appreciate that we have come a long way since then, but we have a little further to go.

Ms Winterton: I know how strongly my hon. Friend feels about the issue, not least from the visits that I have made to her constituency to discuss it, along with many other issues that she has raised on behalf of her constituents. A rolling stock plan will be published in autumn. I can certainly take back the request to find out a little more about the timing on allocations that have already been made, which she mentioned.

The Airedale corridor is prioritised in the regional spatial strategy and the Leeds city region plans. I am sure that my hon. Friend knows that the Leeds city region pilot is one of only two in the country, and we are working closely to ensure that the aspirations are delivered. I must return to the fact that we have tried to say to the region that this is the allocation, and it is important for the region to prioritise, particularly looking at the economic benefits of some of the projects that are put through in the allocation. To date, that has not happened with the Airedale corridor scheme, but as I said, other things are being looked at.

Clean Coal Power Station (Hatfield)

5. Mr. Clapham : What discussions she has had with the Secretary of State for Energy and Climate Change on the construction schedule for the proposed clean coal technology-equipped power station at Hatfield. [296299]

Ms Winterton: On 9 October, I and my hon. Friend the Member for Barnsley, East and Mexborough wrote to the Secretary of State asking him to support the carbon capture and storage project at Hatfield following a regional meeting that we had attended at Yorkshire Forward. I understand that the European Commission has recommended to member states and the European Parliament that the Hatfield bid for €180 million should proceed, although I stress that that has to be fully confirmed.

Mr. Clapham: I am grateful to the Minister for her reply. The new technologies that are associated with the power station to be built at Hatfield, which will be carbon capture-ready, are important to the area, particularly to Barnsley. Barnsley, which at one time was the centre of the mining industry, has quite a portion of unemployment, and the new technologies give the opportunity for new jobs for people in Barnsley, particularly young people.

This relates very much to the regional development agency. Much has been said about whether we need an RDA, but it is important to the new technology of carbon capture because we need a multiplicity of pipes to take the CO₂ to the aquifers in the North sea, and co-ordination by Yorkshire Forward is important.

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Hatfield, of course, is important to the overall project. The kind of technology that will be used at Hatfield, which I understand will be pre-combustion rather than post-combustion in the first instance, will be extremely important, so I am grateful to the Minister for her reply.

Ms Winterton: I know that my hon. Friend has been campaigning on this issue for many years and has a huge interest in helping to develop the energy industry in our region. We could be world leaders if we can secure the funding from the European Commission, and if we can then make it fit into the low-carbon investment strategy that is being put forward by the Government under "Building Britain's Future—New Industry, New Jobs". There is potential not only for creating jobs in our region but also for exporting the technology to countries such as China, which is interested in the development of the technology. It is crucial not only that we secure this funding but that we look to the future. There are huge implications for our region, and I am grateful to my hon. Friend for everything that he has done to press the case.

Caroline Flint (Don Valley) (Lab): The plans for Hatfield power park are absolutely fantastic. This is about green energy, but alongside that there are also plans for a 21st century recycling facility that will really reduce the amount of rubbish that goes into landfill. For too long, the north has been the dustbin for the south in dealing with waste.

Does my right hon. Friend share my concern that we need local leadership to maximise such initiatives? It is great to hear that the European Commission is providing €180 million to support the ambitions at Hatfield, but I find it worrying that the English Democrat mayor, Peter Davies, not only believes that we should not be part of the European Union but is a climate-change denier as well, and that his Conservative-led cabinet will do nothing to support the way in which we partner with Europe to get the best jobs and opportunities for the people of Doncaster.

Ms Winterton: My right hon. Friend is absolutely right to say that without good local leadership these huge projects cannot be taken forward. What the Commission and others will be looking for in order to give this kind of project the final go-ahead is that money will be wisely spent, that there is a proper investment plan and that there is local support, politically as well as in other ways, for a project like this.

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My other concern is that we must ensure that the interest that representatives from China have shown in this project continues. The idea of breaking off links with China, which has been suggested by the mayor, would send quite the wrong signal in terms of our export market and could put such projects in danger.

Mr. Goodwill : As we are in Barnsley town hall, may I put on record my gratitude to the hon. Member for Barnsley, West and Penistone for all the work that he has done on behalf of the former miners who are suffering from mesothelioma? May I ask the Minister about investment in clean energy? As this region is one of the few in the country that will not see new nuclear build, has she looked at ways in which we can capitalise on the investment going into new nuclear build even if we do not have our own station?

Ms Winterton: The hon. Gentleman is generous in his tribute to my hon. Friend. I know that everybody here would back him.

The Chairman: Order. Will the Minister try to keep her comments in line with the question?

Ms Winterton: As for taking advantage of the new investment in nuclear—[*Interruption.*]

The Chairman: The question is on the Order Paper.

Ms Winterton: May I ask for your advice, Mr. Betts?

The Chairman: The hon. Gentleman was encouraging you to stray beyond the question on the Order Paper, so can you keep your answer to the question?

Ms Winterton: Thank you. As for carbon capture, we want to ensure that Yorkshire and the Humber is involved in the wider issue of looking at how to secure new energies in the low carbon sector. That means that we can work not only at regional level in Yorkshire and the Humber but across the north. As the hon. Gentleman will know, there are plans for nuclear development in the north-west, but many of the supply industries would come from the Yorkshire and Humber region, and that will continue to be the case.

Column number: 15 Schools (Capital Investment)

3.46 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Ms Diana R. Johnson): I am delighted to be in Barnsley. This is my third visit in two years. The last time I was here with my hon. Friend the Member for Barnsley, East and Mexborough was to celebrate the achievements of young people in this area, and we should do more of that in Yorkshire and the Humber as examination results here are improving year on year.

I wish to make a short statement about schools capital investment. Let me briefly say where we have come from and what the picture is across England and in this region. If we look back to 1996-97, support for capital investment in our schools in England was less than £700 million per year. This year, 2009-10, it will be £8 billion. That includes £0.9 billion that has been brought forward from the anticipated spend in 2010-11. Obviously, that is part of the Government's fiscal stimulus. To put that into a regional context, it is worth an additional £71 million for this region.

Just to be clear, the schools capital programme has three main elements, of which I am sure hon. Members are aware. To put it simply, there are the main strategic programmes, and Building Schools for the Future is obviously a flagship programme that links in with the academies. It is a long-term strategic programme for renewing and rebuilding our secondary provision, and bringing about transformation within education area by area.

The primary capital programme, which was launched last year, aims to rebuild or refurbish at least half of our primary schools over 15 years. Finally there are the co-location projects, which are about co-locating child care with other types of provision, such as health provision. In this region, there are 12 projects and they are worth some £13.5 million.

Alongside these main strategic programmes are the devolved programmes: the money that goes straight to our schools under the devolved formula capital; the local authority programmes that mainly deal with increases in pupil places and schools' access needs; and the targeted and other programmes, which are smaller and application based.

I want to say something about BSF, because that is the main flagship programme. Some 22 schools in this region have now opened under BSF, which is worth around £3 billion to us in this region. Leeds, Hull, Bradford, Sheffield, Barnsley, north Lincolnshire, north-east Lincolnshire, Kirklees and Rotherham are part of the BSF programme so far. Of the £3 billion that has been allocated to this region, £2 billion is standard capital and £1 billion is on private finance initiative credits. That sets in context the fact that the region has received, is receiving and will continue to receive a large investment into education, in both our primary and secondary sectors.

We are seeing year-on-year improvements in the results across the region, but as Schools Minister I am anxious that that improvement gets ever quicker. We need to do better. With the investment that is going into our schools programme, that will happen in future.

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Mr. Robert Goodwill (Scarborough and Whitby) (Con): I thank the Minister for making that statement. Why, then, in this region did 57.8 per cent. of pupils achieve five grades A* to C at GCSE level or equivalent in 2006-07, compared with 61.3 per cent. for the UK as a whole? Why are we lagging behind?

Ms Johnson: Clearly, in years gone by, the investment in and support for schools has not been there. Looking back at capital investment and resources going into our schools, including teachers, teaching assistants and other general resources, before 1997 there was a lack of money and resources going into those schools. This Government have made clear their commitment to getting into schools and putting in the support and resources. There are many more teachers now in our schools than ever before. Of course, we have more to do. I am a Member of Parliament for a Hull constituency and I am aware that there is still a great deal more that we need to do for our children and young people. But we are investing and making the commitment. Sadly, other parties represented in this Chamber have indicated that they want savage cuts, including cuts in investment in the public sector, which means that the future for education is rather bleak.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I thank my hon. Friend the Minister for her statement. It would be remiss of me as a Barnsley Member of Parliament not to congratulate this Government on the amount of investment that has gone into Barnsley schools. As I am sure my hon. Friend is aware, we in Barnsley have had the biggest funding from the BSF programme of any authority in the country. We are either amalgamating or putting new campuses on every secondary school throughout Barnsley. A number of primary schools have opened. We have recently received funding for the new Barnsley college campus, which at one time was under a certain amount of threat.

The funding is paying off. Ladywood school in Grimethorpe, which I serve as a governor—I have served there for a long time—is in probably one of the most deprived parts of my constituency and the country. Only last week it had a surprise Ofsted inspection, as all schools are subject to now. Speaking as a former teacher, the new shorter, sharper shock-type treatment with Ofsted inspections is the way to go.

The Chairman: Order. Shorter, sharper questions might be useful as well.

Jeff Ennis: My point is that that school received a good Ofsted having only received notification of the inspection the week before. That shows that the investment into Barnsley schools is paying off.

Ms Johnson: I thank my hon. Friend for his comments. It might be worth reflecting on the fact that, in 1997, half of our schools in this country did not reach the 30 per cent. threshold at secondary level for GCSE passes, including English and maths. By 2011, we hope that no schools will be below that 30 per cent. threshold. That change was made because of the investment that has gone in and because of the hard work of teachers, governing bodies, parents and pupils.

The Chairman: Order. Before I call any more Committee members, may I just make the point that there is only one statement in this sitting? The rest of the contributions should be questions to the Minister.

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Mr. Phil Willis (Harrogate and Knaresborough) (LD): The hon. Lady conveniently ignored—I am sure it was a mistake—the fact that a significant number of 16 to 19-year-olds are educated in our further education sector, rather than in our schools. I know that she does

not have a direct responsibility for that, but could she say what discussions she has had with the Secretary of State for Business, Innovation and Skills, under whose remit that now comes under, to make sure that the Yorkshire region does not have the farce that occurred over the FE capital programme, and that we try to ensure a seamless progression between our schools and colleges, which do the most fantastic job in skilling our population in Yorkshire and the Humber?

Ms Johnson: I am very happy to find out further information about that. There is now ministerial responsibility between the Department for Children, Schools and Families and the Department for Business, Innovation and Skills, so there is a Minister who has a foot in both camps to make sure that we keep a very close eye on what is happening in that particular sector.

Mr. Austin Mitchell (Great Grimsby) (Lab): I congratulate the Minister on the statement, and the Government on the enormous improvement in both results and spending on education. The improvement is dramatic and a major plank on which we shall fight the next election so that it is protected from the cuts that the Tories threaten to impose on education.

Can the Minister do anything to encourage speeding up building schools in north-east Lincolnshire? We were brought forward by the Government from wave 6 to wave 5, which was a good thing, but inevitable delays to the PFI contract—they are always difficult to negotiate—are delaying the onset of that building to 2010.

I note from the reply given to me by my right hon. Friend the Minister for Yorkshire and the Humber that the Department for Children, Schools and Families encouraged all local authorities to take up its offer to bring forward several capital building streams originally allocated for the financial year 2010-11 into the current financial year. I understand that North East Lincolnshire chose to accelerate only a small proportion of the funding available, despite the desperate need for that funding. What can the Minister do, alongside pressure from local Members, to accelerate that spending?

Ms Johnson: I shall be happy to raise that matter with the Minister for Schools and Learners, who is the Minister of State with responsibility for that area.

Philip Davies (Shipley) (Con): May I thank that Minister for the propaganda interlude that I do not think any of us were expecting when we came here this afternoon?

The hon. Lady mentioned the Building Schools for the Future programme. Can she tell me the current status of Nab Wood school, Bingley grammar school, which is in my constituency, and Ilkley grammar school, which is in the constituency of the hon. Member for Keighley (Mrs. Cryer) but serves my constituents?

Ms Johnson: First, it is very important that we always celebrate success. At the beginning of my contribution, I said that we should celebrate the success of our young people, and I make no apology for talking about success

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at GCSE and primary level at key stage 2. It is unfortunate that some Members do not feel able to join in celebrating our young people's success and achievement. I will take the issue raised by the hon. Gentleman back to the Department, find out the answer and write to him.

Caroline Flint (Don Valley) (Lab): There has been huge investment in schools in Don Valley—I think £100 million into new school buildings, four specialist schools and three new secondary academies. When I was elected in 1997, our aspiration was just to get the toilets inside our primary schools, because kids still had to use outside toilets. It is about buildings and resources, but it is about results as well. May I draw my hon. Friend's attention to the fact that in 1998 only 34 per cent. of pupils in Doncaster gained 5 GCSEs with A to C grades? In 2009, that has gone up to 71 per cent. In fact, throughout Yorkshire, from looking at the table, we now see that it is in some of our most deprived communities, in which the greatest inequalities have existed, that, because of the investment and reform in education, the largest improvements have taken place. Can I be assured by my hon. Friend that that commitment to both resources and reform will continue?

Ms Johnson: Absolutely. The Secretary of State has made it very clear that the investment and focus to ensure that our children and young people achieve the results of which they are capable will continue.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I thank the Minister for her statement. As she is aware, the expenditure that has gone into education in Barnsley has driven up results. In particular, we see that Sure Start has made its contribution. Does she agree that Sure Start has been conducive to us getting the results in Barnsley and that taking the route that the Conservative party has suggested—moving away from Sure Start—would be a threat to the kind of results that we are now seeing coming through in education?

Ms Johnson: Early intervention is an important part of our education strategy, and Sure Start has a most important role to play. I would describe attempts to reduce Sure Start units or close them as educational vandalism.

Mr. Paul Truswell (Pudsey) (Lab): I have an interest in education not just as an MP but as a parent and a former school governor. In my constituency, we have had five new primary schools and one new high school, with huge amounts being spent on refurbishment. As for Building Schools for the Future, I have to tell my hon. Friend that schools often find it somewhat Byzantine. They do not always understand it or feel part of it, and they often question whether it delivers value for money. What audit has my hon. Friend's Department undertaken of the processes that deliver the wonderful BSF scheme around the country?

Ms Johnson: My hon. Friend might know that I do not have direct responsibility for BSF, but I am happy to find the answer to that question and write to him with the information.

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Mrs. Ann Cryer (Keighley) (Lab): May I invite my hon. Friend to celebrate the success of the Keighley children's university? In the next week or two, she will be meeting me and a representative of that organisation in her office. We will be trying to persuade her to ensure its continued success through existing and future funding, which I hope will be enhanced. It is doing terrific work by introducing the idea to children who have never had university-educated people in their families of striving to go to university. We want to ensure that they are stimulated by the organisation to want to go to university and improve themselves.

Ms Johnson: I, too, have a children's university in my constituency, and I am a big fan of the role that it can play in raising aspirations. I look forward to meeting my hon. Friend shortly to discuss what support we can offer to the children's university in her constituency.

Mr. Ian Cawsey (Brigg and Goole) (Lab): As a former leader of North Lincolnshire council, I know that the final settlement from the Tory Government resulted in a cut in secondary funding in the area of more than £200 per pupil to less than £3,000. It has now risen to about £4,500 a pupil, which shows that the Government have put their money where their mouth is.

I have met my hon. Friend before to talk about management fees for schools that have PFI provision for BSF. It is important to ensure that the extra resources for educating children are not used to pay management fees to companies supplying PFI buildings, as that will reduce the money being spent on pupils.

Ms Johnson: My hon. Friend will be reassured to know that his comments of a few months ago have been fed into the system and are currently being considered.

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Responding to the Downturn and Planning the Future Economy

4.3 pm

The Chairman: It may be helpful if I remind Members of the timing for our debate. We have until 5.30 pm to complete our deliberations. I have no power to put a time limit on speeches, but I am sure that all Members will recognise, when judging the length of their contributions, that it would help if they were to allow time for all those Members who want to contribute to do so.

The Minister for Yorkshire and the Humber (Ms Rosie Winterton): I beg to move,

That the Committee has considered the matter of responding to the downturn and planning the region's future economy.

May I say once again what an historic day this is, given that we are meeting in Barnsley to discuss such a relevant subject? It is arguably the first time that Parliament has met in Yorkshire for 700 years, long before our time. According to the Parliamentary record, it was in May 1298 that Edward 1 held a Parliament at York to discuss a Scottish rebellion led by William Wallace. Given the comments made earlier about the Barnett formula, that may well be an apposite subject for our debate. Once again, I thank the council and the mayor for hosting our discussions and, obviously, all the parliamentary staff who have come up here and looked after us very well so far.

Responding to the downturn and planning the region's future economy are the two vital issues for debate today. As we all know, the seismic shocks in the world economy and the freezing up of credit markets have had far-reaching consequences for individuals, families, communities and businesses across Britain. Our region was never going to be immune from them, and the effect on Yorkshire and the Humber has been immense. However, we should also recognise that we have come a long way since 1997, when our region began to emerge from the disastrous recession of the 1980s and early 1990s. Progress has come through a combination of factors, including increased investment and a sharp focus on developing our regional economy.

Investment in our public services has been significant and increased 20 per cent. in real terms between 2003 and 2008. My hon. Friend set out clearly the increase in education spending and, as we said earlier, public transport spending increased by 22 per cent. in the five years to 2007-08. Those investments by the public sector have laid the foundations to encourage wider private sector investment in growth businesses and sectors.

The regional development agency was established by the Government to focus on our regional economic development. By stimulating private sector growth through many initiatives by Yorkshire Forward, we have diversified our economy into new sectors such as financial and professional services, low-carbon economy manufacturing industries and digital industry development. That approach has brought huge gains. Our regional economy has increased by 60 per cent. or £33 billion since 1997, from £54.8 billion in 1997 to £87.4 billion in 2007.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Those figures are impressive, but what is that increase as a percentage of GDP?

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Ms Winterton: I think that it is about 1 per cent., but I will have to get back to the hon. Gentleman on that.

Before 2007, the region had seen seven consecutive years of growth faster than the European average, more than 200,000 new jobs had been created and nearly 24,000 new businesses had been set up. As I said, our region was never going to be immune from the global downturn, but we have tried to introduce measures nationally and regionally to help individuals and businesses through these difficult times. Free financial health checks funded by Yorkshire Forward through Business Link have helped more than 8,000 businesses benefit from financial advice since last October. Business Link Yorkshire is receiving 5,000 calls a week from businesses seeking help and advice.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): The Minister refers to the global downturn, but with France, Germany, Japan, Russia and many other countries now out of recession, surely it is not altogether a global downturn; the UK is just stuck in the rut.

Ms Winterton: The Conservative party is about the only party that seems to think that the UK is the only country affected by the downturn. We know very well that the policies pursued by this Government in intervening have been followed by countries around the world. We have had disappointing figures, but in the long run, the measures we have taken have ensured that the recession will not be as deep or as painful as it could have been if we had adopted the policies of the Conservative party, who in previous recessions simply stood back and said, "Let the recession wash over us and let businesses and individuals go under." This region, and south Yorkshire in particular, suffered particularly badly from that attitude. We have been on people's side and helped them through it.

I have just talked about the 8,000 businesses benefiting from the free financial health check. On business tax deferral, 16,910 agreements have been drawn up in Yorkshire and the Humber, which have helped businesses spread the payment of £228 million in taxes over a timetable they can afford.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Does the Minister gain the impression that the banks locally in south Yorkshire are responding to small businesses in a way that is helpful to them, because there was a period when we had some difficulties, and several small businesses contacted me about loans not being made available? Does she now feel that that situation has improved?

Ms Winterton: My hon. Friend is quite right to say that there were difficulties, and some of those are ongoing. I have had several meetings with representatives from the regional banks and have tried to analyse what we can do to make the situation better. Sometimes banks say that businesses are not coming forward to gain access to lending, while others say that the system is too complicated. There has been an issue about trying to ensure, for example, through the financial health checks, that what we do is to ensure that when small businesses approach the banks they know the information they will be asked for. Sometimes the financial health checks have reassured the banks that they are getting the right information and that a company is stable.

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The enterprise finance guarantee has been extremely important and has helped around 390 businesses in Yorkshire and the Humber to secure bank loans that are collectively worth £38.3 million. Nevertheless, we continue to look for ways to ensure that banks help small and medium-sized companies, and that is also being pursued at national level. We have also brought forward capital expenditure, which was referred to earlier, to ensure that jobs and skills are not lost. Of the £3 billion that has been brought forward nationally, the region has received £275 million-worth of capital expenditure.

Skills and training have been important during the downturn to ensure that people can get new jobs if they face redundancy. Train to Gain has helped thousands of people improve their skills so that they are a better fit for jobs now and in the future. In 2008, 60,000 people started qualifications, 85,000 were in learning and nearly 38,000 achieved qualifications under Train to Gain. We have also seen Yorkshire Forward put another £50 million in an enhancement fund for Train to Gain so that more help could be given to some of the companies that are making people redundant and to ensure that that help gets to individuals.

Philip Davies (Shipley) (Con): The Minister never misses an opportunity to praise her personal fiefdom, Yorkshire Forward, but why does she think that an unelected and unaccountable quango is better at spending £330 million of public money than an elected body? Does she have such little faith in democracy and in the public who vote in elections that she thinks unelected bodies are better than elected bodies at spending money?

Ms Winterton: As I am sure the hon. Gentleman knows, under the first arrangements, when we had a regional assembly and the regional development agency, politicians of all parties were on the regional agency board and in the regional assembly. We now have a system whereby the regional development agency and the leaders of the local authorities, through the leaders' boards, sit down together and look at the strategy for the region as a whole. That is what the sub-national review came up with. I assure the hon. Gentleman that many local authority leaders from his party understand what is happening during the downturn and how it has been necessary, at national, regional and local levels, to put together such interventions. Without that leadership—a mixture of business and local authority—we would not have the help that is out there at the moment. If he thinks that that can simply be done at the local authority level, I say that it would be difficult to achieve and businesses in our region would find it difficult to negotiate with the many different authorities, all with different strategies and without an overall regional framework. It is a shame that he does not understand that.

Kali Mountford (Colne Valley) (Lab): The hon. Member for Shipley is obviously faster on his feet than I am, because I wanted to intervene on the issue of Yorkshire Forward. I would like a share of that fiefdom myself. In my view, Yorkshire Forward was responsible not only for help during the downturn but for making companies healthy beforehand. It was responsible for helping the 24 per cent. of companies that are in the manufacturing sector to stay healthy. It helped them not to be part of the past, old-fashioned way of doing business, and

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brought them forward, for example by putting money into the textile centre and investing in technical textiles. It put millions into technical textiles with Leeds university, and put money into the Huddersfield Textile Centre of Excellence. Yorkshire Forward has been value for money.

Ms Winterton: My hon. Friend is right to highlight the textile industry, in which I know she has taken a great interest. She organised Yorkshire fashion week, a great showcase event for our region, which I attended with her. She gave an example of intervention in a traditional industry that is looking at the new technologies that could take our region forward, build our jobs and increase our exports, and that is absolutely right. There is a view that one can just stand back from that and say, "Well, the industry should develop its own new technologies, it does not need any help." However, such intervention can often make a real difference. In difficult economic times, in particular, it can be the difference between whole industries going under on the one hand, which is what we saw happen in previous recessions under the Conservative Administration, and helping people through such times and planning what the new economy looks like on the other.

Mrs. Ann Cryer (Keighley) (Lab): I remind the Committee that we used to have a West Yorkshire metropolitan county council. It was not a regional body, but it covered the whole of west Yorkshire—five district councils. It did some of the work that has now been taken on by the regional development organisation. Unfortunately, politically, it was not to the liking of the Government at that time—Mrs. Thatcher's—and therefore she dismissed it, completely getting rid of that extra tier of democracy.

Ms Winterton: My hon. Friend is quite right. Indeed, my father served on South Yorkshire county council. His post was also abolished by Mrs. Thatcher, sadly.

As for looking to the future, we are trying to have a regional strategy, as well as some sub-regional economic planning. The whole idea of local area agreements and multi-area agreements is to ensure that councils can play a greater part in their local economies, not only at regional level, but at sub-regional level. The rapid response teams that were established to give help and advice to individuals and companies have been incredibly important during the downturn to companies such as Corus, Burberry and Grattan. We have been able to intervene quickly to help and advise people when they have sadly faced unemployment.

The future jobs fund is an example of the Government's intervention, but it is delivered locally through local authorities. About 6,400 jobs so far are planned to be created in our region, and 650 of them are here in Barnsley. We are hoping to encourage more bids. We are looking at the current situation, providing help for people, and equipping them for the future, so that there are not generations of unemployed people, as there were in the past, who did not receive the first helping hand on to the jobs ladder.

We have brought forward investment in the housing market. As well as previously having been Minister for Yorkshire and the Humber, my right hon. Friend the Member for Don Valley started many of the programmes that are now coming to fruition. That sort of intervention

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was about devising the help that people needed with mortgages and repossessions during the downturn. It was also about looking to the future to see how we could ensure that we have a stock of affordable housing in our region.

Today, my right hon. Friend the Minister for Housing announced a further £10 million for Yorkshire and the Humber to help the region's construction industry and to create jobs and apprenticeships with our Kickstart programme. That will deliver more than 360 homes in Hull, East Riding, Leeds, north-east Lincolnshire and Wakefield. This year, we are investing about £310 million in affordable housing in Yorkshire and the Humber, and will continue to do so next year. That significant investment will help to deliver nearly 6,000 affordable homes throughout the region.

As regional Minister, I have set up a regional economic delivery group, which brings together Yorkshire Forward, Jobcentre Plus, local authority representatives, Yorkshire universities, the NHS and business representatives to look at how to get help quickly to individuals and businesses, and how to plan for the recovery. I must emphasise the partnership approach that is needed. Through our regional development agency and a regional approach, we can put some strategic investments and policies in place, but we also look to colleagues in local government to help deliver some of those policies.

We should all remember that local authorities can be huge employers in their local areas, and spend a lot of money to support local businesses. They can provide training and apprentice schemes. All local authorities in the region have signed up to an economic pledge saying that they will try to take up a number of measures to help local businesses and individuals receive help during the downturn, and also plan for the future. Are simple things, such as procurement policies, put together adequately so that small and medium-sized

businesses can benefit? Are payments being made promptly?

We also know that we must look to the future. The global economy is set to double and we have to examine the new opportunities that that will bring. What will be the key growth sectors? Our national framework in "New Industry, New Jobs" sets out a number of areas. We have to translate them to regional level, and the growth sectors that we have identified in Yorkshire and the Humber include low-carbon technologies, advanced engineering and materials, digital and new media, and life sciences. We talked earlier about the proposed investment of €180 million to develop the clean coal power station at Hatfield. As I say, that demonstrates the potential that we have to be a leading player in low-carbon technology.

Mr. Elliot Morley (Scunthorpe) (Lab): The money for the power station is very welcome. Indeed, it puts our region at the forefront of new clean coal technology. However, Yorkshire Forward has conducted a feasibility study for a carbon capture network that could link into the steel, chemical and refining industries and power stations. I was disappointed that that was considered too expensive. Will my right hon. Friend raise the issue again with her colleagues in the Department of Energy and Climate Change?

Ms Winterton: My right hon. Friend is right that if the European Commission's grant clears all the hurdles, it will have enormous potential in the region. However,

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it is right that we develop the cluster approach, because we do not want lots of low-carbon industries to develop everywhere without being connected. Making that connection is the right thing to do. We will have another look at the network idea that he mentioned, because it certainly fits in with what we are trying to do, especially through measures such as the spatial strategies. Through the Humber economic partnership, there is huge potential to develop the capability for offshore wind renewables. We have to capture the knowledge economy in relation to all those different projects and, looking across the north, feed that into the issue of nuclear capability, too.

The digital sector currently employs more than 115,000 people in the region and is worth £5.2 billion each year to the regional economy. Earlier this year, we launched the digital region in south Yorkshire. That £90-million investment means that south Yorkshire will be properly digitally connected with super-fast broadband. That is a classic example of intervention that brings immediate jobs and places us in a good position for the future.

The financial services taskforce, which has been set up at regional level, is looking at how to ensure that the Leeds city region remains a UK centre of excellence for financial and professional services. Those industries currently employ 240,000 people in the Leeds city region, and we have to ensure that we develop that and do not lose the expertise. That is, of course, closely linked to a lot of the issues surrounding the Lloyds Halifax situation. By working with Lloyds Halifax, we have shown that the region has a dedicated and committed work force with huge experience in the financial sector.

Philip Davies: Bradford & Bingley.

Ms Winterton: Alongside the issues that have arisen in Bradford & Bingley, and the effect that they have had, I hope that our work with Lloyds Halifax indicates that the Leeds city region has the financial expertise to attract more inward investment to the whole area.

Mr. Willis: I shall give the right hon. Lady a break. The one serious area that I hope she will talk about is media and the creative industries. What steps is she taking to redress the appalling imbalance that has occurred in the north of England owing to Radio 5 Live's move to Manchester? Manchester is now sucking in virtually all the BBC jobs in the region. We are being denuded, not only in terms of the production and broadcasting of programmes, but in terms of the skills base that was so strong, particularly in Leeds and Sheffield.

Ms Winterton: I recently had a meeting with the Secretary of State for Culture, Media and Sport to look at the issue. The matter came to light because of the situation with the studios in Leeds, and the question was whether more could be done. We want to ensure that lots of filming continues to be done through Screen Yorkshire. The hon. Gentleman will know that there are issues regarding "Heartbeat", "The Royal" and other programmes, and that a number of big productions such as "Red Riding" and "Wuthering Heights" have recently been filmed in Yorkshire.

Through Screen Yorkshire, we continue to look at the possibilities, so as to ensure that we can offer the crews the expertise needed; that expertise should come to Yorkshire, and help to ensure that the productions are

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good. We must consider how, when filming in Yorkshire, broadband connections can be used to get material to the production studios—

Mr. Willis: In Manchester.

Ms Winterton—where that material is turned into what appears on the television. The production studios are in Manchester, but if we have good broadband connections, we can film in this region at the same time. It is huge issue, and I will continue to press it.

Mr. Paul Truswell (Pudsey) (Lab): Can I broaden the discussion about media and culture to embrace the proposed Leeds arena project? Some people might argue that the sums of money needed to make that happen might be better spent on other priorities, such as the NHS, housing, care for older people, schools, transport and police. However, if the money that we are talking about is narrowly earmarked for economic schemes, the belief in Leeds is that the city should get its fair share—it needs an arena. The decision-making process through which resources are allocated should be open and transparent, and similar to processes that have been applied in other areas that received public funding. Above all, the funds should not be diverted by interference from other parts of the region.

Ms Winterton: I suspect that we may be entering into a discussion between West Yorkshire and South Yorkshire on a subject that has had considerable publicity recently. Perhaps the best thing I can do is assure my hon. Friend that the industrial development advisory board, which is run by the Department for Business, Innovation and Skills, has asked that the scheme be further explored in order to ensure that it provides the best value for money.

4.33 pm

The Chairman's attention having been called to the fact that fewer than seventeen Members were present, he accordingly suspended the

4.34 pm

Other Members having come into the room, and seventeen Members being present, the proceedings were resumed.

Ms Winterton: That slight intervention came at a point when it was guns at dawn in West and South Yorkshire. As I was saying, regarding the changes to the economy that have taken place, we are in better shape now to emerge more quickly and effectively from the downturn, and to take advantage of new opportunities, than we were in previous recessions. We must build on where we were in 2007 to ensure that the slow recovery that took place after the recessions in the 1980s and 1990s is not repeated. After those recessions, it took too long to get people back to work and to get businesses back on track. Young people were let down and left to suffer the recession without any real help. We are determined not to let that happen again.

We will not stand back and let the recession take its course. We will play an active, interventionist role to champion our regional economy. As I said, so far the work has been done through a partnership between Government, the region, the local authorities and our public and private sector partners. That has delivered real help. We will continue that partnership; it is more important than ever that we continue to develop it and

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to plan for the future. When the recovery comes, there will be opportunities to ensure that we play a major part in the new global economy, and I want us to do so.

4.36 pm

Mr. Goodwill: It is good to be in Barnsley, which I represented as a Member of the European Parliament for five years. However, it is difficult for a single Member to represent such a large region that has little cohesion. Many of my constituents in Whitby would consider Middlesbrough, which is in a different region, to be their nearest big town. They even get their local television from Newcastle upon Tyne.

It is early days for these Grand Committees. It was interesting that only five questions were tabled. Normally, 25 questions would have been tabled and there would have been a draw, so that is hardly a ringing endorsement. I am able to speak only because of the durability of the bladders of Members in the room because we are only just quorate. Perhaps we should consider whether we need both the Select Committee and the Grand Committee for the region to have its voice heard. My party suggests that we have the Grand Committees rather than the Select Committees—[*Interruption.*]

The Chairman: Order.

Mr. Goodwill: The Select Committees have an in-built Government majority, even in the regions in which they do not have a majority of Members. I am sure that the Minister is keen to save taxpayers' hard-earned money. The Select Committees are forecast to cost £1 million and the Grand Committees £300,000 a year. Perhaps that money could be spent more effectively. By buying a ticket from London, via Barnsley, back to Malton, rather than using the east coast main line, I am saving the taxpayer money, and I hope that other hon. Members try to do the same.

The Government's regional policy is in tatters. In 1997, we were encouraged to think that we would have regional government around the country. Following the disastrous result for the Government in the north-east, and the fact that they would not hold a referendum in Yorkshire, we now have no democratic accountability. The regional structures that we have do not relate to the people.

Caroline Flint (Don Valley) (Lab): Was not the hon. Gentleman's party against regional assemblies? I do not understand his point about a democratic deficit. Elected representatives work in partnership with Yorkshire Forward to deliver for the region.

Mr. Goodwill: Our point is that local politics should be about local government and decision making should be as close as possible to the people. People do not relate to the regional bodies, which was why we were pleased that our campaigns against elected regional assemblies were so successful.

Philip Davies: Does my hon. Friend agree that only the right hon. Member for Kingston upon Hull, East—he is such a champion of regional government that he is not here—could have thought that when people decided they did not want an elected regional assembly, they must have wanted an unelected one instead?

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Mr. Goodwill: My hon. Friend makes a valid point. Part of the agenda for regionalism in England was to square the circle left by devolution in Wales and Scotland. As I have said, that policy is in tatters. The people in north Lincolnshire who thought that they had escaped from Humberside now find themselves in a region in which, according to many people to whom I speak, they do not feel comfortable. Those zones are, in fact, merely for administrative convenience. Rather than creating a tier of regional government with increased powers to intrude into people's lives, the Conservatives have come forward with a proposal to devolve power back to the people by scrapping Labour's ineffective regional schemes—giving them, dare I say it, the Barnsley chop. We can help to take power back from the bureaucrats and the quangos.

On the subject of wasting Government money, I always read the Government office magazine with interest—the Minister for Yorkshire and the Humber features widely in the most recent edition. There is a copy from last year that I cherish, and we should bear in mind that the magazine is paid for and distributed using taxpayers' money. On the front page is a picture of the Chancellor of the Exchequer, and on page 2 there is mention of the Minister for Yorkshire and the Humber, along with the floods recovery Minister. We have a nice picture of the Minister for Yorkshire and the Humber on page 4, and then there is another nice picture of the right hon. Lady, who gets a number of mentions also. On page 5, there are two pictures of the right hon. Lady, along with the right hon. Member for Salford (Hazel Blears).

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I might be missing something. Does what the hon. Gentleman is talking about relate to the downturn or the recovery of the region? I do not get it.

Mr. Goodwill: It relates to how the Government waste taxpayers' money on what I suggest is Government propaganda.

And it gets better. We have another picture of the Minister for Yorkshire and the Humber on page 8, along with two other Government Ministers. Flicking quickly through, there is a picture on page 14 of the right hon. Lady with another Government Minister, and on the back page there is another picture of the right hon. Lady. In that one publication there are seven pictures of the right hon. Lady and

seven of other Ministers, and the right hon. Lady is mentioned 18 times. Is that an effective way to spend taxpayers' money?

Mr. Truswell : Am I right in thinking that implicit in the hon. Gentleman's comments is an absolute commitment that no future Conservative Government would ever produce material of the type he is attacking?

Mr. Goodwill: It is not the remit of the Government to spend taxpayers' money on Government propaganda, which is why we want to reduce the cost of government. We will have 10 per cent. fewer MPs and will scrap the £10,000 that all MPs are given to promote themselves in their constituencies.

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The Chairman: Order. I think that we are getting a little far away from the subject in hand, which is the region's economy.

Mr. Goodwill: On the subject of the downturn, the first briefing that I received was interestingly entitled "Making the most of the upturn"—somebody had perhaps incorrectly forecast the last lot of figures on the economy. As I pointed out in an intervention, many countries around the world have come out of recession, but the UK's recession is longer and deeper than others. My constituency is typical of many coastal towns and cities, and those areas have seen some of the highest levels of insolvency in the country—it is three times higher than in 2000. In Scarborough and Whitby, 22.9 people per 10,000 have gone bankrupt this year. Hull has the worst rate in the region, with 26.6 people per 10,000. Since August 2008, 800 redundancies have been reported by my local newspaper. We have seen a string of retail closures, with 45 job losses at Woolworths, and others at MFI, Barratts, Wallace, Allied Carpets and the Mercedes-Benz dealership, which lost 21 jobs. The worst example of job losses has to be the Polestar printing works in Scarborough, where 390 jobs were lost. Hon. and right hon. Members might recall that Polestar secured European funding for a £100 million investment in a new printworks in Sheffield. At that time, I warned that that could result in the company having to close some of its other plants in places such as Pershore, and its two plants in Scarborough, and so it has happened. European funding has bolstered jobs in Sheffield, but resulted in job losses in Scarborough. In September 2008, 1,506 people were unemployed in the Scarborough and Whitby constituency. In 12 months, that figure has increased by 812.

I am particularly concerned about how transport has lost out in the region. I know that the right hon. Lady is a former Transport Minister, so she will know about this. The latest Treasury figures show that in the Yorkshire and Humber region, £239 a head has been spent on transport, whereas £826 a head is being spent in London. Our region does even worse than the north-west, which has £309 spent on transport, and the west midlands, which has £269 spent. Since 2004-05, the gap has been widening.

Of course, one of the biggest catastrophes to hit the region has been the Government's backtracking on the Leeds supertram. Leeds is the largest city in Europe that does not have its own rapid transit scheme. In 2001, the Government gave provisional approval for a supertram scheme in Leeds. In the light of that, work was undertaken on assessing bids, procurement and roadworks to provide the necessary infrastructure. However, the Government called a halt to the project in 2005. Despite being cancelled, significant public funds were spent on the project. On 20 December, the former Parliamentary Under-Secretary of State for Transport, the hon. Member for Halton (Derek Twigg), stated:

"Around £39 million of public sector finance has been spent on Leeds Supertram. Of this, around £5 million has been spent on construction costs with around a further £14 million on land and property purchase. In 2004–05 the Department provided £6 million to the promoters of Leeds Supertram for scheme development costs, including advance works."—[*Official Report*, 20 December 2005; Vol. 440, c. 2916W.]

That is money down the drain because of the inability of the Government to deliver the funding for a project that they encouraged Leeds city council to go ahead with. Leeds is now looking at—I hope it will go forward

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with this—a trolley bus scheme. Why was it not given the signal that it should go ahead with a trolley bus scheme from the start, rather than all that money being wasted?

It is interesting that the Minister did not forecast in which quarter she expected the region, or the country as a whole, to come out of recession. Neither did she focus on some of the much trumpeted Government schemes that are supposed to provide support through finance or grants to business. In fact, as the Minister responsible for the enterprise finance guarantee—the Government's flagship business support scheme—will she explain why just £343 million of loan guarantees, which represents just 26 per cent. of the reportedly available £1.3 billion, has been offered to businesses, given that lack of credit remains the biggest problem for small firms?

Ms Winterton: I want to correct the hon. Gentleman, because I thought he said that I did not address the issue of the enterprise finance guarantee and the other help available from the Government. I referred specifically to the HMRC changes, the enterprise finance guarantee, the Business Link help, the working capital expenditure and the free financial health checks. I was a little puzzled by the hon. Gentleman's comments; perhaps he got a bit distracted when I was talking about those things.

Mr. Goodwill: The right hon. Lady is missing my point. I was saying that when the Government announce these schemes with the headline figures of the money available, they do not tell people later about how the take-up is often so disappointing. In the case of the scheme that I mentioned, only 26 per cent. of the available £1.3 billion has been taken up.

Ms Winterton: But will the hon. Gentleman confirm that his party opposed all those measures and that the 390 businesses in Yorkshire and the Humber that have taken advantage of the scheme, and have got bank loans worth £38.3 million, would not have benefited if the opposition he has shown to the scheme had succeeded?

Mr. Goodwill: I certainly welcome the fact that some businesses have been supported. However, the uptake has been disappointing. In fact, on 16 October 2009, around 7,500 companies had applied for loans backed by the Government's enterprise finance guarantee. However, the scheme has offered only £575 million of loan guarantees to around 5,700 firms. A lot of firms that expressed an interest have not actually got the funding.

People are disappointed that the much-forecast upturn in the British economy in the last quarter for which we have results has not happened. They are particularly perturbed that other countries around the world are seeing improved trading conditions, yet the UK is still mired in recession. People are concerned for their jobs and about when the recession will end. When they vote at the next general election they will need to decide whether this Government are part of the solution—or part of the problem, as many people are starting to realise.

Several hon. Members *rose* —

The Chairman: Order. Before I call any Members, I have about eight indicating that they would like to speak and there is just under 40 minutes. Members can work out for themselves how long they would have to take to allow all Members to get in.

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4.50 pm

Mr. John Grogan (Selby) (Lab): Mr. Betts, I shall try to be brief. I shall suggest a few tweaks in Government policy. In suggesting these tweaks, nothing I say should be taken to diminish my admiration for the work of the Minister. If it is a question of pictures of her or of the hon. Member for Scarborough and Whitby, I will opt for pictures of the Minister. During Prime Minister's questions yesterday one of our parliamentary colleagues, in his enthusiasm to praise him, implied that the Prime Minister was Head of State. If there were ever a Head of State in Yorkshire, there would be only one candidate: the Minister.

My suggested two tweaks to policy would help us come out of the recession quicker in Yorkshire. The first is to make it an explicit goal of Government policy to bridge the north-south divide. Secondly, we should devolve as much decision making as possible to democratically elected councillors, whether at city, region or local council level.

I turn to the first proposition. My right hon. Friend the Member for East Ham (Mr. Timms) said last year that talk of the north-south divide was sterile. I do not think so. It is the pride of my life to have been a supporter of the Labour Government. We have heard of the public expenditure increases in Yorkshire and the Humber in recent years in our schools, hospitals and some of our infrastructure. But we have not, if we are honest, bridged that north-south gap in health figures, life expectancy, many economic figures, housing and so on. If we are to bridge that gap, we have to recognise that it exists. It does not explain all inequality in our country; clearly, there are inequalities within our great cities as well as between the north and south. But it explains something.

As we come out of the recession, we are in a different situation from that anticipated a year ago. Then, the general feeling among economists was that the south-east, London and the City would feel the brunt of the recession and perhaps the rest of the country—unlike in the 1980s and '90s—would get away relatively lightly. That has not happened. The south-east and London have probably done better than some other regions, including our own. It is our constituents who have suffered from unemployment, whether in the financial services industry or in manufacturing. If we are to redress that balance we must have explicit recognition of that divide.

What difference would that make in the decisions of a fourth-term Labour Government next year? It would mean that projects such as Crossrail would come far lower down the list of public expenditure commitments than high-speed rail to the north. It might mean that Heathrow airport expansion would be less important than it is in current Government policy. Any Government will be under public spending pressure in the next few years, but if there is one priority for infrastructure it should be high-speed rail. That means cancelling Crossrail.

I move on to the second proposition. Yorkshire Forward has done a lot of good in many areas. However, it has expanded beyond its original remit of business support into areas that regeneration councils could properly cover. There are disadvantages in a bureaucrat-led system—which is what it is, with a veneer of business involvement and indirect democratic accountability. One is that when

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a decision goes against Yorkshire, Yorkshire Forward finds it difficult to voice the anger within Yorkshire and to make the case to the Government or other agencies that the decision should be different.

I will give two examples. One is the Leeds arena that we have heard about, which involved a relatively small amount of money. It seems odd that there is a body called the Industrial Development Advisory Board in London, chaired by an accountant who is a senior adviser to Credit Suisse. Why is that body deciding whether there should be an arena in Leeds?

Another example is the European Spallation Source; I do not know, Mr. Betts, whether you have heard of it. Just three years ago it was the number one economic project for Yorkshire Forward. It also happened to be in Selby on a disused airfield. I defended this project. We persuaded the local people to back it and then Lord Sainsbury, two days before he resigned from the Government, wrote to Yorkshire Forward and said—I paraphrase, but fairly I think—that there would never be a large-scale science project in Yorkshire. He said that we wanted such projects in Oxford, where he has strong connections, I think, and that, if not, what remained could go to Daresbury across the Pennines. That was just accepted. Because Yorkshire Forward is ultimately accountable to Ministers, it had to accept it. There was not the outrage that there should have been.

What could happen practically now? When Yorkshire Forward was set up there was no such thing as the city regions, which are not all round Yorkshire. We heard mention of South and West Yorkshire county councils; in a way, the councils are getting together to re-form some of the best of that old system. Barnsley is now in the Leeds city region; Selby is in the Leeds city region—we are like the Belgium of the European Union. We like the Leeds city region because it gives us a chance to influence transport policy and so on across the region.

Over this grand fourth term that we are all looking forward to there should be a movement away from Yorkshire Forward and this indirect system of deciding things. Let me mention the Leeds city region, south Yorkshire and North Yorkshire county council for the coastal region; I leave my hon. Friend the Member for Great Grimsby to work out precisely what happens in the Humber area. Where those democratic systems are in place big investment decisions should be devolved down.

Tom Riordan, the chief executive of Yorkshire Forward, is a magnificent man. He has done a lot for Yorkshire, but ultimately it would be a better system if democratic Yorkshire councillors, whether in their own councils or combining together, could act together to take decisions.

I finish with a philosophical point. My party, of which I am so proud, has forgotten our localist tradition. When I worked for my hon. Friend the Member for Hemsworth in Leeds, there was a distrust among some of the party hierarchy of Labour councils. That was largely because of what some Labour councils did in London 20-odd years ago. That feeling has never been lost by some at the top of our party. There is a challenge to us now. For the first time in a generation there are people in the Conservative party who are serious localists. They want to devolve power not to quangos or focus groups—that is not localism—but to local elected bodies.

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Jon Trickett (Hemsworth) (Lab): My hon. Friend worked with me when I was the leader of Leeds and he was my extremely able political assistant. Is it not true that the Thatcher Government crushed both West and South Yorkshire councils and then sought to crush Leeds city council? Is not the lesson that whatever they say, in practice Tories destroy local government rather than reinforce it?

Mr. Grogan: To be honest, I do not think that either party over the past 30 or 40 years has a great record of devolving power to local government. Working in Leeds showed me the value of local government. In a way, perhaps I did more good there than I have ever done since in terms of affecting policy. I repeat to my party colleagues: we must not be the party of quangos and focus groups and cede the ground to the centre right or the right of British politics, albeit that the record of previous Governments is far worse than ours.

4.58 pm

Mr. Willis: It is a pleasure to follow the hon. Member for Selby. Most of us around the Chamber would agree with a significant amount of what he said. It is a matter of getting the balance right. We are not back to the Orwellian days; we have to pick and mix what is best and allow local people to make those decisions.

This is without doubt the last time I shall speak at this Grand Committee. First, I will not get another chance tonight and secondly I am retiring at the next election. It has been a pleasure to be here and to work with so many colleagues from Yorkshire and the Humber over the past 12 years. The last intervention came from the hon. Member for Hemsforth, who was also my boss when I worked in Leeds—and an excellent boss he was too. It is interesting that the Minister said that the last Grand Committee was in 1298; it is recorded in whatever the equivalent of *Hansard* was then that an Austin Mitchell was reporting for ye olde calendar.

The important thing is organisation. There has been much talk this afternoon about the role of Yorkshire Forward, and I think that we should start to put aside some of the differences that have appeared quite falsely this afternoon. Virtually every Member in this Chamber has the interests of Yorkshire and the Humber at heart and wants to see it succeed. It is a fantastic place to work and live, so making it succeed should be our challenge. We must be honest about the fact that no one got it right in the past.

During the 1992 recession, when I was the leader of Harrogate council, unemployment there went to nearly 10 per cent., which was absolutely unheard of, and not a shred of support came from the centre. It was sink or swim. I do not believe that we can let the region sink or swim in the current recession.

The issue is this: if we believe that we can rebuild the old economy post-recession, we will simply be a laughing stock, not only in the UK, but in Europe. A totally different economy will emerge in the region, as in the rest of the UK. Politicians of all political persuasions must ensure that we have a climate that is right for securing the jobs and opportunities of the future. We have heard about a few of those opportunities this afternoon, such as the green economy and green jobs. When one looks at the fiscal stimulus that Obama is putting into the US economy, one sees that he is not simply throwing money at it. He is basically saying that

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many industries will have to be allowed to die or helped to move in a new direction. It is the green economy and green jobs that the US will lead the world on. Whether one talks about coal or renewable energy, the region is certainly uniquely well placed.

The region is also well placed because it has traditionally been enormously creative in the way it approaches economic circumstances. If one looks at the history of Yorkshire and at what has come out of the region, one will see the coal and steel industries and, in north Yorkshire, farming and other industries—north Yorkshire is largely forgotten when we talk about the recession, but it has had an impact there just the same. The hon. Member for Scarborough and Whitby, who is twittering on his BlackBerry, has said clearly that some of those coastal towns are really suffering as a result of the recession.

Finally, if we do not have the necessary skills base to meet the challenges of the post-recession economy, Yorkshire and the Humber will fail, and preventing that is our challenge. We talked about the spallation light source that was going to come into Selby. The hon. Gentleman made a crucial point: it is a knowledge economy that will drive the jobs of the future, so we must ensure that we have a university sector that can drive that knowledge economy, and the white rose universities are an absolute credit to the region.

If I have a criticism, it is that we are not getting our fair share of what I call big science coming into the region. Big science is not even going into Daresbury and Manchester, but is all going to Rutherford Appleton and the golden triangle. We must stand up and get our vice-chancellors to work even closer together to ensure the amalgamation and collaboration that needs to happen to drive the knowledge economy. The university sector will not work on its own unless we have the other skills infrastructure as well. That is why I stressed to the hon. Member for Kingston upon Hull, North the importance of the further education sector and the need to be able to drive those intermediate and technical skills at level 2 and 3, which south Yorkshire used to be good at. It used to have highly skilled jobs in its mining and coal industry. They were not simply manual jobs. Most of them were highly skilled jobs; tradespeople did them.

The Minister for Regional Economic Development and Co-ordination talks about the £1 billion that has gone into Train to Gain. I and my colleagues on what was the Select Committee on Innovation, Universities, Science and Skills know full well that much of that money could not be accessed because of the bureaucracy around it. Much of that has now been unpicked, but delivering the skills agenda in places such as south Yorkshire as well as north Yorkshire will be the answer, not only in our schools but in our colleges. Then people will be able to take advantage of the knowledge economy.

5.5 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): Can I say first what a good idea it is to have this Grand Committee sitting in Yorkshire? It is not only bringing Parliament to the people, but bringing the best of Parliament—the Members for Yorkshire and Humberside—to the best of the people. That is a splendid idea and I congratulate my right hon. Friend the Minister on her speech and on the efforts that she is making to

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bring investment, jobs and Government spending to Yorkshire. We need that effort, and she is putting a great deal of vigour and concern into it.

I congratulate the Government, too, on their stimulus spending. When demand is deficient, there is no alternative, because the market will not do it. There is no alternative to bumping up demand through Government spending. I cannot understand the logic of the Tory party. Its economic thinking is not just pre-Keynesian—it is pre-Cro-Magnon. It is almost prehistoric to say that there should be cuts in spending and less borrowing in a recession when that spending and borrowing is preventing more jobs from going. It is keeping more jobs in existence and more people in work through the recession—a recession that is the fault not of the Government but of the financial institutions. To make cuts would be disastrous. I should think that the Government have saved well over half a million jobs through the stimulus that has gone in.

My argument today—the Minister will expect me to argue this—is that the spending could be bigger, because we are an area that needs more Government spending. We are an industrial area, a manufacturing area; it still has one of the highest proportions of manufacturing. It is true that we need the new industries and new developments, but we also need the revival of the basic production industries. They have dominated this area and continue to do so, but are now hard hit because the decline in employment in that sector has been more rapid than in other sectors.

As my hon. Friend the Member for Selby said, the recession has hit comparatively lightly in the city, but has hit hard in manufacturing, particularly in this area. We will continue to be a manufacturing area. The country needs manufacturing. The prospects now that the pound is much more competitive—we have, in effect, devalued—are that manufacturing will prosper and rise to the occasion, because its exports will become far more competitive and it will be profitable to produce in this area. It is necessary for the Government to help

and support manufacturing to see it through until the opportunity of a much more competitive exchange rate takes hold and boosts it again.

It is characteristic that most of the spending that we have done and most of the money that we have put in has gone to the financial sector and the banks. Not only did the financial sector and the banks cause the problem in the first place, but having put in some £1 trillion—that is the latest estimate of what we have put into the banks—we find them going back to their old ways, having big bonuses to stimulate more risk taking and not pumping out the supply of credit and finance that industry and small firms and Yorkshire and Humberside need to invest in local production.

We need to redress the balance away from spending on the financial sector and supporting the banks to spending on the manufacturing sector, skills, training, centres such as CATCH—the centre for the assessment of technical competence, Humber—which is our training centre in south Humberside, and an industrial strategy, so that those basic industries that we will need in the future will be there to support the economy and pay our way in the world. As the oil contribution fades away, and as the financial contribution from the City of

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London is weakened, as it will be by the recession, those industries will have to pay our way. It is necessary to keep skills centres in being, to keep skills in being and to keep clusters of production in being. In such a difficult situation, only Government spending can do that, so the Government are to be congratulated. Their achievement will lessen the recession's impact.

There are things that we can do, and one is to increase spending. I notice that the Obama Administration in the United States has said that projects that can be shovel-ready by a certain date will be financed to go. I put it to the Minister that we had a shovel-ready project: a £150 million development for our institute of higher and further education. It was shovel-ready in January, but was abruptly put on indefinite hold by the incompetence of the Learning and Skills Council. Why should our Government not take up the position that shovel-ready projects will be financed? There will never be such an opportunity again. We need them to make a contribution.

Not only that, but we need a bigger contribution in housing. My right hon. Friend the Minister for Housing is doing a marvellous job of beginning to refinance councils to build again. That is the kind of housing that we need in the area, but it needs to be bigger so that we can get the boost going. It was the housing drive of the 1930s that did more to stimulate the economy than rearmament in the later 1930s. We need that kind of stimulus, particularly in Yorkshire and Humberside, where we have been less successful in getting housing allocations than other parts of the country.

We are grateful for the stimulus that we have had—we are particularly grateful for the efforts made by my right hon. Friend—but we need a bigger stimulus that gives us a bigger building programme and allows projects that are ready to go to proceed. Our message, if we can give a message to the Cabinet in dialect, is "Get on wi' it."

5.11 pm

Meg Munn : I will be brief. I want to make a point about the situation in Sheffield. Sheffield had its heart ripped out during the 1980s and early 1990s under a Tory Government. The economy has been through an economic revival over the past 10 years. Industries have developed and diversified. The creative and digital industries, which have been mentioned, are coming forward, as are retail, hotel and distribution, and Sheffield is a growing provider of many financial and business services. We also have a large public sector, two universities, NHS trusts and so on. That diversification has helped us in the downturn to ensure that people can see that when growth occurs, things will improve.

However, I will focus particularly on the skills of people in the poorest sectors, from our deprived communities, who have had the benefit of objective 1 funding from the European Union over the past few years. That has meant that a lot of community organisations have been able to offer training, often first-step training, and interest courses that have helped people who never had the opportunity of educational assistance and training in skills to get on the first rung of the ladder, walk through the doors of the community sector and begin the process leading them into work.

I am concerned about a number of those community forums: Batemoor and Jordanthorpe forum has closed, Lowedges forum has only a few employees and Gleadless

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valley forum is in the same position. If we do not fund such community organisations to provide that first step, people will continue to be out of the job market for a long time to come, and they will not have the skills necessary for the economy, as the hon. Member for Harrogate and Knaresborough mentioned, when the upturn comes, as I am confident that it will.

I would like to see a better focus on that level. I would like us to deal with the issues of who is eligible for funding. I ask the Minister to consider in particular the regrettable situation whereby people going through training funded by the Learning and Skills Council through local contracts find that they cannot get funding because the eligibility criteria for progression to the next stage are set by the Department for Work and Pensions and are different. That is nonsensical. The Government have got to get their act together and sort out the issue so that people who want skills to get into work as jobs become available, as they surely will, can do so. I ask my right hon. Friend to look into the matter.

5.14 pm

Philip Davies : It is a pleasure to be here. We have been told that this is a ground-breaking day, but some things stay the same, such as Ministers not answering questions properly and Back Benchers having little time to contribute to the debate—I am glad to see that some things have transferred from Parliament. I was particularly struck by the speech made by the hon. Member for Selby. We had always hoped that Selby might turn Conservative at some point, but we did not realise that the hon. Member for Selby himself would turn Conservative. He is welcome to join us if he continues to pursue such themes.

Some Labour Members seem slightly delusional about the situation that we are in as a country. We hear speeches about how much the Government are doing, and we hear sentiments like, "Isn't everything wonderful?" and, "Isn't it all a great triumph?", but the country is in a hole. As my hon. Friend the Member for Scarborough and Whitby said, this country is in the longest and deepest recession since the second world war—that is no great triumph for the Government—and things do not seem to be getting better very quickly. Other

countries are out of recession, while we are still in recession. That is hardly a great advert for the Government's strategy. Let me give a demonstration of the situation. Unemployment in my constituency is up 31 per cent. compared with 1997—that is not even a comparison with the situation just before the recession. The fact that 31 per cent. more people in Shipley are unemployed than in 1997 is not a great triumph for the Government; we have to accept that it is a great failure by the Government.

The Government will say that this is all down to the global recession. Indeed, the hon. Member for Great Grimsby said that it was all the fault of the bankers. It is amazing that when the economy was growing year on year, the Government never said that it was down to the global boom—it was always down to their policies. When the hard times come, however, they never take responsibility and always find someone else to blame. They certainly did not give credit to the global boom for the good years, and I will pass on the Prime Minister saying that he had ended boom and bust.

I want to make a few points about my constituency. My first point is about how Bradford & Bingley is among the worst hit in this economic crisis. Compared

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with how Northern Rock was treated by the Government, Bradford & Bingley has come out of the situation rather poorly. Northern Rock was a basket case company that was taking money from the Treasury and the Bank of England as though there were no tomorrow, but the Government kept it as a going concern, and it is still a going concern today. Bradford & Bingley never took a penny of public money and was not insolvent in the way that Northern Rock was, yet the Government took an instant decision to break it up, so it no longer had a future as a bank in the way that Northern Rock does. I hope that the Minister will reflect on why Bradford & Bingley was treated so shabbily in comparison with Northern Rock.

My second point is about Saltaire, which is in many ways the jewel in the crown of my constituency. It is a world heritage site, but traffic in the area is getting worse and worse. That problem is caused by the Highways Agency, but the unelected regional transport board for ever stands in the way of something being done. The place is a great magnet for tourism, but the Government seem to ignore tourism, even though it is something that we should try to promote. If they were interested in tourism, Saltaire would get a much better deal.

The Select Committee on Culture, Media and Sport, on which I serve, produced a report about heritage in 2006. I do not know whether the Minister has read that report, but I can tell her that we recommended that regional development agencies should understand the economic benefits that world heritage sites could bring to an area and that they should invest in such sites. In the past five years, the South West of England Regional Development Agency has put almost £1 million into its world heritage sites, while One NorthEast and Advantage West Midlands have respectively put almost £6 million and more than £11.5 million into theirs. Meanwhile, Yorkshire Forward's investment in world heritage sites in the past five years has been a big fat zero. Those figures have all been obtained through freedom of information requests.

Ms Winterton: I hope that the hon. Gentleman will acknowledge that Yorkshire Forward has put £30 million into tourism for the coming period.

Philip Davies: Yorkshire Forward has put nothing into Saltaire, which is a world heritage site and should be a jewel in the crown of tourism.

Time is pressing, so I shall come to my final point, which is about regenerating our towns. Shipley has had economic problems and desperately needs regenerating. Instead of a regional development agency that tries to pour money into grand projects to put in the glossy magazine that my hon. Friend the Member for Scarborough and Whitby showed us, I suggest that we should have a simpler approach to regeneration, such as finding out what would persuade a company such as Marks and Spencer to open in Shipley. If that required providing five years' free rates or five years' free rent, no further regeneration would be needed in places such as Shipley, because other shops would come into town centres to encourage that regeneration. I urge the Minister to be more imaginative in regenerating our towns, as an alternative to the blunt instruments that Yorkshire Forward sometimes comes up with.

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5.20 pm

Caroline Flint: I want to talk about Robin Hood airport. I thank Labour Members who are here today—and those who are not here—who supported the recycling of RAF Finningley into an airport. In particular, I pay tribute to the Minister for Yorkshire and the Humber and my hon. Friend the Member for Barnsley, East and Mexborough. On this historic occasion, I want to mention our former colleague, Kevin Hughes, who was the MP for Doncaster, North, and stood shoulder to shoulder with me for many years in trying to win that campaign.

Sometimes we must come together across the region on initiatives in one part of the region that are worth supporting. I believe that Robin Hood airport—I will not talk about the name—is one of those. As with other airports, it is going through a difficult time, but it has proved its worth. Around 100 businesses on the site or close to it are also benefiting. It could add 1 per cent. to the region's gross domestic product by the middle of the next decade, and by 2030 it could generate 18,000 new jobs across our region due to supply chains and other businesses that benefit from a vibrant airport.

It is important in our debate on how to deal with the downturn and plan for the future that we work together to secure one piece of the jigsaw that will make that even more successful: the link road. I urge the Minister and the deputy Minister, my hon. Friend the Member for Barnsley, East and Mexborough, to help us to keep pushing forward and to knock a few heads together, both locally and nationally, to obtain a decision. The regional transport board has approved the road, the Highways Agency is behind it, and all partners in Doncaster and throughout our region support it, but we must put the business case to Transport Ministers to get it moving ahead. It is vital that a decision is made early in 2010, and I hope that we can focus on something that is practical and in all our interests so that we ensure that the decision is made as soon as possible.

5.23 pm

Mrs. Cryer: I ask my right hon. Friend the Minister to remind companies that depend to a large extent on publicly funded contracts that the money that they receive for their contracts comes from taxpayers, some of whom are the people they employ. KONE Escalators

in my constituency is moving 30 jobs to China. The firm was Orenstein and Koppel Escalators, which built all the escalators on the Jubilee line. It builds escalators for hospitals, shopping malls and airports. It is all Government-funded investment, so will the Minister explain to firms such as KONE that when they shift 30 jobs to China, they are depriving themselves of investment, because that does not seem to occur to them.

I will be seeing people from KONE in the next week or two. I am devastated at the prospect of losing highly skilled, high-value jobs in my constituency, which has a long and proud tradition of engineering and textile skills. We are losing such jobs at a pace. I appreciate the fact that the Government are investing in the sort of contracts that keep KONE going, but I am not sure that the company realises what it is doing when it moves jobs to the other side of the world in China. It is keeping a few jobs here, but it will produce escalators virtually from flat packs that come in from China.

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5.24 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): We have had an excellent debate in all quarters. Speaking as a Barnsley Member, it is highly appropriate that we have our region's first Grand Committee meeting in Barnsley, because over the years we have taken some hard knocks when depressions have affected this country. I am certainly proud to be a Barnsley Member. I remember the first meeting that I attended in this chamber on 26 September 1980, when I was 27 years old, to represent the area where I was brought up and in which I lived for the majority of my life.

We have to look at history when we look at experiences during depressions. Mention has already been made of the Heseltine pit-closure programme in 1992. In Barnsley, thanks to Mr. Heseltine, we lost 30,000 jobs in 18 months. In effect, we had a generation that was abandoned—and I mean abandoned. The Labour Government are determined not to abandon a generation as the previous Government did.

My hon. Friend the Member for Keighley mentioned the abolition of the West Yorkshire and South Yorkshire county councils in 1986. They performed a role in strategic economic regeneration in the sub-regions. The first thing that we did as a council in 1986 was to set up an economic development department and appoint a director of economic development. The Tory Government criticised us for doing that and said that we should not be wasting money on replacing jobs in Barnsley—that is an historical fact.

I mention that is because a few weeks ago I went to the official opening, in Grimethorpe, of the Leggett and Platt centre for bed-spring manufacture. That American manufacturer has just invested \$22 million in building its European headquarters in my constituency. That happened only because of the support that we received from Yorkshire Forward and Barnsley development agency.

Going back to 1986, one thing that I forgot to mention was that it took us four years from when we set up the economic development department to bring in a foreign investor: Koyo Seiko, a high-quality engineering company that provides car component parts to Toyota and another Japanese company—I forget the name.

Caroline Flint: Nissan.

Jeff Ennis: Yes, Nissan. It took us four years to do that, but with the help of Yorkshire Forward we recently made such an achievement in Grimethorpe. Foreign direct investment in Yorkshire and the Humber this year is at a record level, despite the global downturn.

As far as I am concerned, the model for economic regeneration that we now have in Yorkshire and the Humber, through the joint regional board and the economic development group, is an effective strategic economic regeneration model. Going back to the point made by my very good hon. Friend the Member for Selby, we can improve it—we need to reduce the democratic deficit, so we need to listen to his comments closely. However, as far as I am concerned, we have one of the best-practice economic regeneration models in the country, and I say that after 29 years' experience as a Barnsley Member.

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Before we conclude—I see that we have about a minute left—I want to go back to history. We are in a magnificent town hall. It was built in 1933, during probably the biggest depression the world has ever seen. That was the year when Labour councillors came to power in Barnsley, after we won power from the Liberals. The first thing that the Labour councillors said in 1933 was that they were going to build a brand new town hall. It cost £180,000, and they spent £18,000 on building our magnificent clock tower. That caused a lot of controversy at the time—the Tory councillors said it was a waste of money.

Whenever Barnsley is featured on television, the clock tower is always shown. It was not a waste of money. It

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provided much-needed jobs in the public sector during a difficult time for the people whom we represent. If we ever get another Tory Government—obviously I hope we do not—they will need to learn the lessons of history that we learned here in Barnsley.

Question put and agreed to.

Resolved,

That the Committee has considered the matter of responding to the downturn and planning the region's future economy.

5.30 pm

Committee adjourned.

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