

Westminster Hall

Wednesday 11 February 2015

[Albert Owen *in the Chair*]

Diffuse Mesothelioma Payment Scheme

Motion made, and Question proposed, That the sitting be now adjourned.—(Mark Lancaster.)

9.30 am

Steve Rotheram (Liverpool, Walton) (Lab): It is a pleasure to serve under your chairmanship, Mr Owen. At the outset, may I welcome yesterday's written statement from the Minister on behalf of Lord Freud? It goes some way towards addressing one of the central points that I wished to raise, but it also raises a host of points that require clarification. I hope that the Minister will be able to address those. I am certain that my hon. Friend the Member for Stretford and Urmston (Kate Green), who has led the campaign for fair compensation for sufferers, will also have a number of questions for the Minister, as will other Members.

As the honorary president of the Merseyside Asbestos Victim Support Group, I place on the record my thanks to the mesothelioma victim support groups up and down the country for their continued championing of victims and for the dignified and diligent manner in which they fight their cause. I should also make special mention of the late Paul Goggins, who did so much in this place to advance the cause of mesothelioma sufferers and without whom we would not have reached this advanced point.

To give credit where it is due, and so that I cannot be accused of being partisan, let me also say that the work of the hon. Member for Chatham and Aylesford (Tracey Crouch) should also be recognised. The Government's U-turn should vindicate her steadfast support for victims of this dreadful disease. By the way, I suspect she might still be smarting from the result of last night's match, when Liverpool secured a deserved victory over her beloved Spurs.

It is now eight months since the Mesothelioma Bill—now the Mesothelioma Act 2014—passed through Parliament. Given that Parliament will dissolve at the end of next month, I thought this would be an appropriate juncture for MPs to convene to discuss the status of the Diffuse Mesothelioma Payment Scheme. That, of course, was before yesterday's announcement, but the issues before us are no less relevant for that.

Throughout my contribution, I wish to focus on two key points: the 3% levy and research funding. First, however, I would like to highlight the issues that remain outstanding after the Minister's statement. The 2014 Act delivers the legislative framework for the Diffuse Mesothelioma Payment Scheme, which is a source of compensation for mesothelioma sufferers who could prove they were negligently exposed to asbestos at work, but who could not trace a relevant employer or that employer's insurer. In addition, the scheme makes payments to eligible dependants of mesothelioma victims who have, sadly, passed away.

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Originally, payments of 80% of the level of average civil claims were to be made in respect of people first diagnosed on or after 25 July 2012. The new guidance means that the uprating to 100% will include all those diagnosed from yesterday onwards but exclude those who have already lodged claims.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I congratulate the hon. Gentleman on holding this important debate, which is very much needed. I also welcome the change that the Government announced yesterday. He mentions the 2014 Act and those who were diagnosed on or after 25 July 2012, but some were, of course, diagnosed before then. A constituent's husband died in November 2012, but she cannot get compensation because they fell outwith the claim period of a year. Does the hon. Gentleman think that that should be remedied, given yesterday's changes and the Government's more enlightened understanding of the issue?

Steve Rotheram: The case the hon. Gentleman highlights is similar to cases Members raised in Committee and on the Floor of the House when the issue was debated. It is for the Minister to respond to the question of what will happen to those diagnosed before the 2012 threshold.

The arbitrary nature of yesterday's ruling caused great distress to a small group of about 250 claimants who already receive payments from the scheme. Will the Minister comment on the unjust nature of the anomaly created by Lord Freud? Instead of sticking to yesterday's written statement, the Minister should stand up today and announce that he will backdate the increase to include victims who have successfully claimed at the lower, 80% rate during the scheme's first eight months.

It is obvious that Lord Freud has had to take the action he has, because, as the Opposition predicted, the number of claimants has not reached the inflated figure the insurance companies came up with to make the compensatory package look punitive—the number is far smaller. Lord Freud admits:

“The number of claimants has proven to be below the level anticipated.”—[*Official Report*, 10 February 2015; Vol. 592, c. 42WS.]

Yes—a whopping 70% lower. He might put this down to the fact that insurers are only now tracing an increasing number of policies, but if we start with an overestimate of the number of claimants, we cannot simply put any decrease down to the fact that the industry has only belatedly got its act together and started tracing compensators for remedy.

It should not be forgotten that, over the life of this Parliament, pressure from mesothelioma campaigners has pushed the Government to increase compensation rates from the initial derisory offer of 70%, to 75%, then to 80% and now to 100% of the level of civil claims. I pay tribute to those resolute campaigners. The Labour party consistently called for an increase during the passage of the Bill, so I am delighted to see that increase come to fruition.

The scheme is funded by a levy on insurers that provide employers' liability insurance. Throughout the passage of the Bill, the Government gave assurances that the levy would be set at a rate equal to 3% of the gross written premiums on employers' liability insurance

policies. Ministers told us that the insurance industry could afford to fund the scheme through a levy of 3% of GWP without having to pass on the costs to its customers

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through additional premiums. The expectation in the original impact assessment was that the levy on the industry would raise £338.7 million over 10 years.

In a ministerial statement on 28 November 2014, the Government announced that the levy would raise £32 million in the first year. That in fact represents a levy equivalent of just 2.2%, not the 3% originally agreed to and promised. That was due to the fact that the employers' liability market accounted for GWP of £1,418 million in 2013—an increase of 4.8% on the previous year. From that figure, it is clear that a 3% levy would net £43.6 million, not the £32 million cited in the ministerial statement. The Department for Work and Pensions does not contest those figures, and it verified them at a meeting involving Lord Freud and the hon. Member for Chatham and Aylesford. I guarantee that, if the converse had happened and the take from the insurance pot at 3% had been lower than anticipated, the Government would not have argued to increase that percentage. Why, then, are they letting the insurance industry get away with a lower yield because the market has increased?

The issue is a cause of major concern, because the Government explicitly promised that the 3% target would be met in year 1. The importance of the additional 0.8% differential cannot be understated. If the Government chose to act, the additional £11.6 million difference could enable payments to be made to sufferers of other asbestos-related diseases, who are currently not covered by the scheme, or in respect of those diagnosed before the scheme was in place, such as the constituent of the hon. Member for Na h-Eileanan an Iar (Mr MacNeil). The additional £11.6 million could provide much-needed investment in medical research—something I will say more about shortly.

The Minister was not in his current post during the passage of the Bill; his predecessor, the right hon. Member for Hemel Hempstead (Mike Penning), was. The right hon. Gentleman declined, in Committee, to enact Labour's proposal for the 3% levy to be enshrined in law. Instead, he gave Members a cast iron guarantee:

“I say to the shadow Minister, the hon. Member for Stretford and Urmston, that I met Lord Freud, my fellow Minister in the Department for Work and Pensions, this morning. Three per cent. is 3% and we have no intention of moving away from it.”—[*Official Report, Mesothelioma Public Bill Committee*, 12 December 2013; c. 117.]

He was unequivocal. What do they say about actions speaking louder than words? If the Government do not commit to ensuring that the insurance industry will meet the 3% levy target, they will leave themselves open to legitimate criticism from mesothelioma campaigners that they are on the side of the insurers, not the victims, and are letting insurers walk away from that cast iron guarantee. That is why we pushed for the 3% to be enshrined in law.

I should be grateful for answers to some questions. Why are the Government set to renege on the promise that they made to mesothelioma victims and Members of this House about the 3% levy? Given the present understandable uncertainty about whether the 3% levy figure will

be met, will the Minister confirm whether the Government intend to amend the 2014 Act to enshrine it in law? If applications to the scheme increase steadily,

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as more people become aware of it, and claims exceed 3% of gross written premium, will the industry pay out from the windfall that it gets from the underpayment it currently presides over? What work is the Minister doing with hospitals, colleges, surgeries and GPs to make those diagnosed with mesothelioma aware of the scheme, to encourage increased take-up? How much is his Department spending on promoting the scheme to sufferers?

I will remind the House—as if this were needed—of what a terrible disease mesothelioma is. Thankfully, it is not a common cancer, but according to Cancer Research UK it is responsible for 2% of all cancer deaths in the country. The latest statistics showed that there were 2,570 known cases, which was a rise on the previous 12 months, with 2,429 subsequent mesothelioma deaths in the same year. A victim is likely to live less than a year after contracting mesothelioma. The disease is commonly associated with men who have worked in heavy industry, such as the construction industry, which is why I am proud of the lead that my union, the Union of Construction, Allied Trades and Technicians, has taken on the issue.

Andrew Bingham (High Peak) (Con): The hon. Gentleman is making a good case. As he says, mesothelioma is an asbestos-related condition usually associated with heavy industry, but the incidence in my very rural constituency is higher than the national average. I just wanted to point out that it does not necessarily occur only in big cities and industrial centres.

Steve Rotheram: I absolutely agree, and was not painting a picture in which only males or people working in heavy industry are affected. Women who never worked and who were housewives have contracted mesothelioma, because they washed clothing with asbestos dust and particles on it, which they breathed in. I was not trying at all to underestimate the impact on the rest of the country.

There cannot be a debate on mesothelioma without talking about research. When the 2014 Act was being considered, the late Paul Goggins tabled amendments on that very matter, which I moved. The Government contended in the House of Lords on 9 December 2014, at column 1710, that funding for mesothelioma research is available, but no good research proposals have been forthcoming.

There are two points to make. First, it is estimated that at present £1.4 million is spent on mesothelioma research. That can be compared with research spending of £22 million for bowel cancer, £41 million for breast cancer, £11.5 million for lung cancer and £32 million for leukaemia; we can quickly see that mesothelioma is at the bottom of the research pile. Lord Alton of Liverpool previously made it clear that there are 17 other forms of cancer for which far more research resources are reserved than for mesothelioma.

Secondly, the Government's position on the quality of forthcoming research proposals is contradicted by the recent announcement that Aviva and Zurich have commissioned the British Lung Foundation to undertake £1 million of mesothelioma research. That is of course welcome, but is not a statutory requirement. It is voluntary, and future moneys may not be guaranteed, but it shows that the industry believes that quality research proposals

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exist and that it is only the Government who are not willing to back the scientific community to lead on the matter.

I come back to the point about excess moneys raised from the full 3% levy being utilised for the benefit of the victims. Should an additional £11.6 million be available in the pot, even if claimants were paid out at 100% of their claim, as they now will be, there would still be about £5 million left, which could be devoted to research. Why is that not happening? Under section 13(2)(b) of the Mesothelioma Act 2014 the Government can use the amount recovered from scheme payments under the recovery of benefits legislation to help pay for the costs of the scheme. Now that the costs of the scheme can be covered completely by a 3% levy, there is no need for the subsidy. It is currently estimated that nearly £5 million will be recovered from payments. That money should be used to fund medical research, not to subsidise the insurers unnecessarily.

I have several questions for the Minister. I would appreciate it if he replied today, but if he cannot answer them all, perhaps he would write to me and the shadow Minister on each point. The written statement released by the Department yesterday says:

“Following discussion with the insurance industry, I have agreed to introduce some additional administrative safeguards to ensure that we can all be confident that the scheme continues to act as we intended and remains a scheme of last resort.”—[*Official Report*, 10 February 2015; Vol. 592, c. 42WS.]

What assurances can the Minister give sufferers and their families that that will not lead to increased restrictions and a higher threshold for proof of employer negligence? Why did he meet only with the insurance industry and not with victims to discuss possible amendments needed in the scheme? Why was the need for additional safeguards not picked up during the passage of the Bill through both Houses? Are the Government still lending the insurance industry a full £17 million, even though the take-up of the scheme is lower than expected?

Lord Faulks told peers,

“The Government fully recognise the need to stimulate an increase in the level of research activity and continue actively to pursue measures to achieve this.”

What measures are the Government taking to increase the amount of research? In the same House of Lords debate, Lord Faulks went on to say:

“It is absolutely not the case that there is insufficient funding for research. As I have said more than once, the case is that, at the moment, there is not a suitable number of applications for research.”—[*Official Report, House of Lords*, 9 December 2014; Vol. 757, c. 1710-1712.]

What specific number would constitute a “suitable number” of research applications? Has that figure been met?

Finally, there has also been a question of whether insurers have made a profit out of the system because the levy target of 3% has not been met. Lord Faulks agreed to look into that. Can the Minister update Members?

For the public and the mesothelioma victims support community to have confidence in the scheme, it is vital that in the first instance the commitments that this House made to the victims should be met without any hiccups or backtracking. Failure to enforce the 3% levy and to commission the necessary research, with adequate and proportionate funding, would be a dereliction of duty and undermine the entire scheme. We owe it to the victims of this cruel disease to get things right.

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9.49 am

Tracey Crouch (Chatham and Aylesford) (Con): It is a pleasure to serve under your chairmanship, Mr Owen. Despite his cruel reminder of last night's football result, I congratulate the hon. Member for Liverpool, Walton (Steve Rotherham) on securing this timely debate.

This is a matter of great importance to me. I have campaigned on it for a decade, both before and after my election as an MP. Naturally, my interest as an MP stems from the fact that the Medway towns are a mesothelioma hot spot, with 6.5 in every 100,000 people across the area getting meso, compared with the national average of 2.5 in every 100,000. The area's history of shipbuilding and heavy industry contributes to that exposure and diagnosis rate, so it is an issue that the people of Chatham and beyond are acutely aware of.

Much progress has been made on mesothelioma, but I want to start by congratulating the noble Lord Freud, via his and my Commons ministerial colleague here today, on yesterday's announcement about increasing compensation under the Diffuse Mesothelioma Payment Scheme to 100% of average civil damages to those who are unable to trace their insurer. If it had not been considered unparliamentary or just a bit weird, I would have hunted him down in the other House to give him a big hug. Instead, I will do the entirely British thing of just saying, through the medium of *Hansard*, well done.

It is also appropriate to congratulate the noble Lord Alton, who has been an absolute champion on this issue in the other House. His tireless campaigning on meso issues has been a source of great hope to many victims and campaigners. He has been an inspiration to those of us in this House who have often been wearied by procedural hurdles. Like the hon. Member for Liverpool, Walton, I pay tribute to the asbestos campaign groups, which not only lobby us on this issue but hold the hands of the victims once they are diagnosed.

Although the Minister was not in the Department at the time, he will be aware that, during the passage of the Mesothelioma Act 2014, I pushed for 100% compensation for victims of this fatal disease. Parliament settled for a compromise deal of 80%, albeit after a lot of pressure from campaigners in all parts of the Commons and Lords. That compromise was agreed after levels were raised from 70% to 75% and then to 80%, on the understanding that insurance companies would not participate in the scheme at all if the levy were to cost them more than 3% gross written premium, which they in turn would be forced to pass on to an already difficult employers' liability market.

I think "reluctant acceptance all sides" is an appropriate phrase; none the less, many felt that the outcome remained unfair. The fact there were far fewer claims than predicted, representing a total of just 2.2% GWP, was surprising, but perhaps not unexpected, given the

number of times that the calculations and the costs were altered during the consultation and the passage of the legislation. It was a pleasure, therefore, to meet with Lord Freud immediately after Christmas to discuss the shortfall. I am delighted that, through his inevitably tough negotiations with the sector, he has managed to pull off a deal that means that, as of yesterday, anyone diagnosed with mesothelioma will get 100% compensation.

The Minister may think it is cheeky to ask for more, given how much progress has been made. However, a few questions need to be asked. Around 200 people

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were compensated under the original scheme, at the rate of 80%. Are there plans to reconsider and uprate their payouts? Although I appreciate that there may be issues about retrospective payments, it would be reassuring to know whether the Department is undertaking any further consideration regarding those claimants. Yesterday's statement also alluded to additional safeguards that have been requested by the insurance industry and agreed by the Minister. Although I fully accept that the 100% compensation scheme would not have been agreed without some form of negotiation, it would be helpful for the House to be made aware of what those administrative safeguards are and whether they require changes to either the primary or the secondary legislation.

I want to mention research, an issue that was much debated during the passage of the legislation for this scheme. The late Paul Goggins was a champion of ensuring more medical research into mesothelioma, for both treating and curing the cancer. The Minister will be aware that Paul sadly passed away between the Committee and Report stages of passing the Mesothelioma Act; I moved his amendments on the Floor of the House for him. It is an honour to continue to fight for more funding for research in his name.

Emotion aside, the facts are simple. Mesothelioma is an invasive type of lung cancer for which there is no cure. Victims often experience painful, debilitating symptoms, and most will die within 12 months of diagnosis. Someone dies from meso every five hours in the UK. It is estimated that 2% of men born in the '50s will get the disease; yet research into this cancer is lagging way behind. As an illustration, I was given a table of the number of research papers into meso. In 2012, when 2,431 people died from mesothelioma, just 44 papers were published on it, compared with 2,828 papers on oral cancer and 1,160 on cancer of the uterus—both of which, thankfully, have nearly 1,000 fewer deaths per year.

Great work is being done out there, but it is starved of money. I visited the Medway campus of the university of Greenwich, where Professor Adrian Dobbs is leading the research into meso, including looking at the recent discovery of the compound JBIR-23, which is the first ever natural product to show activity against tumour cells. That work is being funded by the June Hancock Mesothelioma Research Fund, but with much more to do to refine the biological activity—from the scale of an oil tanker to a saloon car and down to the scale of a grain of sugar—significant funding needs to be found.

Insurers have contributed to wider research funding programmes with the British Lung Foundation. I was delighted to see that my old company, Aviva, has joined forces with Zurich to donate a combined £1 million over two years to the BLF's meso programme. However, it is not fair that only those two companies are funding the research; frankly, others should be

ashamed of themselves for not also contributing. It is also disappointing that the funding is time limited, and there is no guarantee that it will continue after the two years.

Finally, I want briefly to mention the issue of teachers dying of mesothelioma, which was also discussed during the passage of the Mesothelioma Act. Today, 75% of the 33,600 schools in Britain still contain asbestos. There is some variation in the statistics—which is why I

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may have confused matters further with a possibly incorrect recollection of the figures in the Chamber on Monday—but the often-cited stat is that in the past 10 years, 140 school teachers have died of meso. In the United States, for every one teacher who has passed from mesothelioma, nine children will follow.

Quite simply, we have a problem with asbestos in schools, which is why those who are diagnosed with the disease are not limited to the industrial professions. Just one fibre of asbestos can cause the cancer, and fibres can be transferred simply by putting a drawing pin in a wall. Local education authorities have insurance, which is why the scheme was deemed not appropriate in general terms for teachers; nevertheless, as politicians who will inevitably have schools in our constituencies that are riddled with asbestos, we need to be mindful of the potential problems. We need to introduce regulations similar to those in Australia and the US to remove asbestos in schools. I hope that, post 7 May, the Government will consider this matter extremely carefully.

Time is short and I know that other hon. Members wish to speak. Let me end by saying that the victims of the disease will now get the full compensation that they deserve. There are still issues to resolve, such as those I have raised, as well as others, which I have not had time to go into, that are equally important, such as secondary exposure. There are many people who will today hear that they have mesothelioma. That news will, in a short time, take them away from their family and loved ones; but at least now, if they are unable to trace their insurer, they can have financial peace of mind. It can only be the good thing and right that we have finally achieved that.

9.59 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I thank the hon. Member for Liverpool, Walton (Steve Rotheram) for securing it and for giving us all a chance to participate and give a viewpoint—I will obviously give a Northern Ireland viewpoint. It is also a pleasure, as always, to follow the hon. Member for Chatham and Aylesford (Tracey Crouch) and to hear her contribution.

This issue has affected a great number of people in my constituency of Strangford and, indeed, across the whole of Northern Ireland. I thank the Minister for his announcement, but I seek clarification on how the compensation will affect Northern Ireland. I am aware that the Northern Ireland Assembly made a decision in 2012 on the issue. I will ask him some questions on that later, because it is important to get the situation and how the compensation payments will affect those in Northern Ireland entirely clarified. When I comment on that later, hon. Members will see the clear disparity between Northern Ireland and the rest of the United Kingdom. Those are important issues.

This is a common disease, particularly among the older generation and particularly in the old industrial towns of Belfast. With Harland and Wolff employing some 15,000 workers in the shipyards, and as many as 30,000 workers at one stage, it is unsurprising that so many men—and also women—in and around Belfast were affected by asbestos-related illnesses. For many plumbers, electricians and builders working in the '50s and '60s in towns within and outside the shipyards, asbestos was commonplace, so unsurprisingly a large

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number of people in my constituency have been affected. Indeed, the story is told that when Harland and Wolff was at its height, the asbestos flakes were of such enormity and quantity that they were in the streets of east Belfast, where the children played among them, never realising that doing so would be detrimental to their health, so it is not necessarily just the workers in the shipyard who were affected, but those outside it. Over some 30 years as an elected representative—I was doing the figures the other day; figures are always a reminder of how many years we have been on this earth—as a councillor, a Member of the Northern Ireland Assembly and, now, as a Member of Parliament here, I have had occasion to represent many of my constituents on this issue in relation to their benefits and their compensation claims as well.

Malignant mesothelioma is the most serious of all asbestos-related diseases. As has been mentioned, exposure to asbestos is the primary cause and a risk factor for mesothelioma. Making a correct mesothelioma diagnosis is particularly difficult for doctors because the disease often presents with symptoms that mimic other common ailments, so people may sometimes not be aware of exactly what is happening. There is currently no cure for mesothelioma, but treatments are available to help with the typical mesothelioma prognosis.

It is clear that investment in research into mesothelioma is desperately needed. The United Kingdom has the highest rate of the disease in the world—that is not something to be proud of, but it is a fact of life that we have the highest figures. That is largely because the UK Government permitted the use of asbestos long after other countries outlawed the mineral's use. In addition, and as mentioned previously, shipbuilders historically are among the people most affected by mesothelioma, and the shipbuilding industry plays a large role in the history of the United Kingdom, in particular in Belfast and Northern Ireland, especially around the time of second world war. The British Lung foundation has said that this year, it is estimated that 2,400 people will die of the disease, and that over the next 30 years, more than 50,000 people will die of mesothelioma in the UK unless new treatments are found. The hon. Members for Liverpool, Walton and for Chatham and Aylesford both mentioned the need to do more research and to try more actively to find a cure.

Mr Gregory Campbell (East Londonderry) (DUP): My hon. Friend is talking about heavy industry and the shipyards, and the impact that they had. Given that the numbers of people dying from mesothelioma are continuing to increase post that revolution, that would indicate that the research that he is talking about—and is generally agreed should increase—should be where the effort is concentrated after the announcement yesterday that greater research has to be done for the future.

Jim Shannon: I thank my hon. Friend and colleague for that intervention. Yes, that needs to happen. I know that this Minister is not responsible for health, but perhaps he could give us

some idea of what discussions he may have had with the relevant Health Minister on finding a cure or treatment that works and is more effective.

Relatively little is spent on mesothelioma research in the United Kingdom compared with other cancers of comparable mortality. In 2011, the National Cancer

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Research Institute reported that £400,000 was invested in mesothelioma research by its partners. That seems like a lot of money, but compared with figures for research today, it is not, so we need some indication of how that will be increased. The amount compares with some £5 million and some £5.5 million spent respectively on myeloma and melanoma—two cancers that kill a similar number of people each year—in the same year.

Given how aggressive this cancer is, it surprises me, but also saddens me, that in 2015 we are still not working hard enough to find a cure. That is the very issue to which my hon. Friend the Member for East Londonderry (Mr Campbell) referred. I was pleased to see that the Northern Ireland Assembly introduced a scheme to help those not just affected first hand, but who had come into contact through relatives—by washing clothes, for example, which is how many of the wives, girlfriends, mothers and children have been directly affected by what has happened. On 1 October 2008, the scheme was launched and then, last year a scheme was introduced in the UK. Although it is similar, there are some key differences, and it is those key differences that concern me most. I will focus on those quickly and seek the Minister's response on them; his help would be greatly appreciated.

In Northern Ireland, a person—this includes dependents—has to claim within 12 months of receiving a diagnosis or within 12 months of receiving an industrial injuries disablement benefit. On the UK mainland, a person has three years to make the claim. That is quite a difference, so I seek to clarify how and what methods can be used to address that issue. The scheme is also open only to those diagnosed on or after 25 July 2012. That automatically cuts out a large proportion of the community, because so many of those who worked in the '50s and '60s and before that were diagnosed some time ago. That means that they are directly disadvantaged and excluded. That simply should not be the case, because every person affected by this cancer deserves some form of compensation. Unfortunately, compensation will not make them better; but what it does do, importantly, is help them in some way, and it is what is deserved, so it just seems like a no-brainer to me that we should be doing our best to help them.

Not only that, but there is a significant disparity between compensation payments in Northern Ireland and those on the UK mainland. Both systems work on the same basis, so the younger someone is, the more compensation they receive. In Northern Ireland, if a person is aged 37 or under, they will receive just over £80,000 as a lump sum. At the other end of the spectrum, if a person is aged 77 or over, they receive just over £12,500. At the same time, in the UK mainland, someone aged 40 or under will receive just over £216,000, and a person aged 90 or over will receive just under £70,000. There is a massive disparity in payouts. It is quite shocking to see such a difference, so I seek an explanation from the Minister and perhaps his help on how we can make progress, so that there is a similarity between payouts across the whole of the United Kingdom of Great Britain and Northern Ireland.

Mesothelioma does not change. It does not stop at the Irish sea, nor does it lessen when it crosses the Irish sea, so it disappoints me that people living in Northern Ireland are afforded so much less because of their postcode. Last January, I asked the Secretary of State

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for Health what discussions he had had with his counterparts in Northern Ireland about introducing this strategy on a UK-wide basis. He said at the time that he had not had any discussions with them. A year on, I put the same question, this time to the Minister present in the Chamber. What discussions have taken place with his counterparts in Northern Ireland about a UK-wide strategy to tackle mesothelioma, so that everyone in the United Kingdom and Northern Ireland can have the same payouts, the same compensation and the same help?

10.8 am

Ian Lavery (Wansbeck) (Lab): As ever, it is a pleasure to serve under your chairmanship, Mr Owen. I congratulate my hon. Friend the Member for Liverpool, Walton (Steve Rotheram) on once again bringing this really important debate to the fore in Westminster Hall.

Only last year, I had the experience of sitting on the Bill Committee for the Mesothelioma Act 2014. Many problems were brought up about that Bill. Like other Members, I think it really important to remember Paul Goggins's work, efforts, commitment, passion and dedication on behalf of mesothelioma victims. As a Member of Parliament, he was much treasured in this House, and he did fantastic work right up to the Bill stage. He was sitting with us the weekend before he tragically died from a medical condition. We must always remember people such as Paul Goggins for their efforts.

One big issue with regard to the Mesothelioma Bill was the compensation. That was discussed long and hard, as were the insurance companies. Initially, the maximum was 75%, because the insurance companies could not and would not be able to afford anything more than that. The arguments were long and very bitter at times, because not many compensation schemes agree to pay only 75% of what people should be entitled to.

We should not forget, and we did not forget, that to be entitled to any form of compensation, people have to be diagnosed with the dreaded disease mesothelioma. Once someone is diagnosed with mesothelioma, the prognosis is death. They are lucky if they can last 18 months. The position at this point in time is that once a doctor informs someone that they have this horrendous, horrible disease, they can see the end of their natural life.

We should always recognise and support the victims, and the vast majority of the Bill Committee and Members of this House do, but at that time there was—there still is—too much focus on the power, influence and finances of the insurance companies. The Minister in the Committee said that he was extremely concerned at the Opposition pushing for 80%, 90% and 100% compensation, because the insurance companies had not come to the table willingly. In his words, not mine, the insurance companies had to be dragged to the table. He was concerned that if we pressured the insurance companies—again, these are his words, not mine—they would walk away and there would be nothing for the victims. We agreed eventually, after the Bill was enacted, that the figure for compensation would be set at 80%.

I was delighted that yesterday's written statement increased the compensation to 100%, but I am not really here to celebrate the fact that the insurance companies

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have made that decision. The decision should have been made many moons ago. It should have been enacted in the Bill and then we would have seen the correct compensation paid to many of these individuals and their families. It was not, and the Minister might consider—in fact, should consider—whether the people who have been able to claim since July 2012 should be able to claim backdated finance: the difference between 80% and the 100% that was, happily, announced yesterday.

There are a few other things to say about the insurance companies. We should never let these people off the hook, because the insurance companies made millions and millions of pounds on insurance for mesothelioma and other types of disease. They had the finance to pay this money; it is not that they have not had the money. The insurance companies have had the money and have invested the money, or did they give the money out in dividends, meaning that we cannot compensate the people who are suffering greatly as a result of mesothelioma? The insurance companies have had the finance, but it was said that they needed to be dragged to the table. That in itself speaks volumes.

I agree with the hon. Member for High Peak (Andrew Bingham), who is no longer in his place, that mesothelioma does not affect just those who have worked in shipyards, mining and heavy industry; it goes across the board. Teachers are one example. Thousands of teachers have died as a result of mesothelioma. They are dying on an annual basis. Of course, the problem with this dreaded disease, as we all understand, is that its latency period can extend up to 20, 25 or 30 years. People can be fine right up to that time. Then they start to feel unwell, and the prognosis for mesothelioma is, as I said, a death sentence.

Can I mention, Mr Owen, something extremely important? If teachers are getting mesothelioma from working in schools, what is happening to the kids? That is a different issue, but it is cancer and asbestos-related. I fear for the future of many kids who are in schools constructed in the 1950s, '60s, '70s—sometimes earlier—in which there is still a large asbestos presence. If teachers are dying, that means that kids are being exposed to the same asbestos dust because of the nature of the school's construction. We need to look at the issue of asbestos in schools and see whether we can monitor kids who might be exposed. We should in some way be able to measure and control that situation. That is a huge concern of mine.

Let us look at the disease itself. Many people in my constituency have had this dreaded condition. I place on the record my thanks to the Mick Knighton Mesothelioma Research Fund, from the north-east region. It does tremendous work, as my hon. Friends mentioned, across the UK. There are a very large number of people in these support groups. Many of them do not have mesothelioma and will never have it, but feel the need, because of the nature of the condition, to support individuals who do have it. My thanks go to those people.

I mentioned the cut-off date in the legislation. People can claim mesothelioma compensation only if they were diagnosed after 25 July 2012. That is nonsense. There is not a politician in the House of Commons who would not accept that mesothelioma has been present for many

years—decades, in fact. Insurance companies were taking premiums for mesothelioma 50 and 60 years

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ago, so the idea that it is acceptable to have a cut-off date of 25 July 2012 is nonsense. It is an affront to the many hundreds, if not thousands, of victims of mesothelioma who were diagnosed before the cut-off date and can in no way claim compensation. That is just not fair.

Mr MacNeil: To back up the hon. Gentleman's argument, I reiterate that I have a constituent whose husband died after 25 July 2012 but was diagnosed before 25 July 2012.

Ian Lavery: Again, there are all these anomalies. If we look at the other types of compensation deal with insurers, trade unions and law firms, we see that the vast majority would pay compensation dating back to what is classified as the date of guilty knowledge, not a date that has just been plucked out of the air. As I said, mesothelioma goes back for generations. We should be looking to compensate people—never mind the cut-off date of July 2012. There was even a document for a consultation that began on, I believe, 25 February 2010. Is that not a date of guilty knowledge in itself? Why can compensation not be paid to victims going back to at least 2010?

Everyone who has spoken has mentioned the real issue at the moment, which is medical research. My hon. Friend the Member for Liverpool, Walton mentioned Dr Moore-Gillon, who has said that mesothelioma is

“not an attractive area for researchers...If you're a bright person with a PhD making a career in cancer research and you are told you can work on a mesothelioma project for a year, you're looking for a new job in 12 months. Instead, you can hook into breast cancer research and be employed for 20 years.”

Steve Rotheram: On that point, my hon. Friend is absolutely right. A leading researcher has done some positive work using adult stem cells, which, once they are adapted and injected into a vein, target cancerous mesothelioma cells. Unless additional funding is put forward to develop that research to clinical trials, we will simply be paying compensation to people who have this terrible disease instead of doing what we should be doing—giving them a cure. I am sure that everybody who has mesothelioma would rather have a cure than the compensation.

Ian Lavery: I do not think I could have put it better myself. We debated medical research long and hard in the Mesothelioma Bill Committee, but we have not really made any progress. I urge the Minister to think about the fact that we really should put mesothelioma right up there with other cancer-related disease so that we can, as my hon. Friend has said, try to cure and prevent that horrible disease, rather than just thinking that it is right to pay compensation 30 or 40 years later.

Finally, I want to ask for clarification on a point that I am genuinely unsure about. When it was agreed that 80% of the compensation would be paid, the DWP stated that 100% of any benefits that had been paid with regard to mesothelioma would be clawed back. I am not sure whether that has changed, but I would welcome the Minister's view on that. If it is still happening—the insurance companies and everybody else has come up with 100% compensation, and that is fine—for the period where people receive 80%

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compensation, compared with 100% clawback from the DWP, surely there is a case for them to have some form of claimant rebate.

All in all, I welcome the statement, but there are still lots of questions to be answered. The Mesothelioma Bill gave us a great opportunity to give 100% support to the victims, but we did not quite get there. Perhaps we are getting there step by step, but why do we not simply take the massive step that is needed and put things right as soon as we possibly can?

10.23 am

Kate Green (Stretford and Urmston) (Lab): It is a pleasure to serve under your chairmanship, Mr Owen. I congratulate my hon. Friend the Member for Liverpool, Walton (Steve Rotherham) on securing the debate. I am delighted that we are joined by parliamentary colleagues from all parties who have long been doughty campaigners on this issue. I join colleagues in paying tribute to the asbestos victim support groups, which have kept us so well informed about the issues in relation to this matter. I also join colleagues in remembering the late Paul Goggins, my good friend and former parliamentary next-door neighbour. We miss Paul very much, but I think he would have been pleased to see that there has been further progress in the light of yesterday's written ministerial statement.

It is just over a year since the Mesothelioma Act 2014 completed its parliamentary passage, and I warmly welcome the opportunity to debate what has happened since then. Although everyone recognises that it is early days still to assess the effectiveness of the Diffuse Mesothelioma Payment Scheme, even in its short life so far there have been a number of developments, some of which were welcome and some less so. I know that hon. Members who take a close interest in the matter appreciate the opportunity to raise issues of concern with the Minister today.

The Diffuse Mesothelioma Payment Scheme is an important and welcome development in offering a measure of justice to sufferers of that terrible disease. It serves to ensure that those who contracted the illness as a result of exposure to asbestos at work, but who cannot now trace an employer or an employer's liability insurer, can receive payment in recognition of their suffering. Initially, as we have heard, the Government set the proposed payment at 70% of average civil damages, but an increase was made to 80% when regulations to implement the scheme were introduced last year, as a result of savings that had been found in legal and administrative costs. Yesterday, we learned from the written ministerial statement that payouts are to be increased to 100% of average compensation. Of course, that is very welcome, although I echo my hon. Friends the Members for Liverpool, Walton and for Wansbeck (Ian Lavery) in asking the Minister why the increase cannot be backdated to those who have already received 80% payouts under the scheme or who have already been diagnosed. The Department's press release painted a rather rosy picture of the impact of the increase, suggesting that victims would receive an additional £54,000. In fact, that amount would be paid only to those aged under 40, and so far no victims as young as that have been compensated under the scheme. The average increase will be more like £21,000, which is welcome but not quite as good.

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I am also concerned that the reason for increased payments is because the take-up of the scheme has been lower than expected. My hon. Friend the Member for Liverpool, Walton was right to express some scepticism about the assumptions that were made when the scheme was first proposed. Take-up has been substantially below expectation. It was originally envisaged, if memory serves me correctly, that in the first year of the scheme there would be some 900 applications, but I understand that the expectation now is that there will be only 300 claims in the first year. What analysis has the Minister made of the much lower than expected take-up and the reasons for it? What discussions has he had with the oversight committee on the matter? Is he confident that the application process is working smoothly and speedily for applicants? Is he confident that the scheme has been adequately promoted? What steps are the Government taking to ensure that potential claimants are made aware of it? What evaluation of the application process is he undertaking, and, in particular, what measures is he taking to ensure that he obtains feedback from the asbestos victim support groups?

Have any claimants yet resorted to arbitration when they have been unhappy with the outcome of their claim? Is the Minister confident that the much lower figure for expected claims represents a true picture of those who could make a claim under the scheme? What profile, over time, and what volume of future claims does the Department now expect? As has been mentioned, yesterday's written statement referred to administrative changes being made as a result of discussions with the insurance industry to ensure that the scheme remains one of last resort. Will the Minister tell us exactly what those administrative changes are, and what impact they will have on victims and their ability to access the scheme?

As my hon. Friend the Member for Liverpool, Walton has explained, the scheme is funded by a levy on current employers' liability insurers. When the legislation proceeded through Parliament, we were told that the levy would be set at 3% of gross written premium, because the industry could accommodate a levy at that level without having to pass the cost on to its customers via increased premiums. In addition, because it was expected that claims would peak in the first few years of the scheme, which would mean that the cost of meeting payouts could exceed the levy, we were told that the Government would make a £30 million loan and £17 million gift to the industry to smooth the cost of the scheme in the early years. Although the expectation was that 3% would prove insufficient fully to meet claims in the early years of the scheme, there were always fears that the industry might try to get away with a lower payment. That is why I tabled amendments to the legislation, in Committee and on Report, to enshrine the 3% levy rate in law. The then Minister, the right hon. Member for Hemel Hempstead (Mike Penning), gave assurances to the Public Bill Committee on 12 December 2013 that there was no need for such amendments, because:

“Three per cent. is 3% and we have no intention of moving away from it”.—[*Official Report, Mesothelioma Public Bill Committee*, 12 December 2013; c. 117.]

In a written statement on 28 November 2014, however, the Government announced that in the first year the levy would raise £32 million, so it was in fact set at 2.2%.

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Following yesterday's written ministerial statement, the position on the levy is somewhat opaque. I hope the Minister will clarify the situation today. First, can he confirm whether the uplift in payments to 100% is met from a levy of 2.2%, a levy of 3% or some other figure?

How much is the levy now raising in cash terms? Is it still £32 million, or is it another amount? How much in cash terms are the additional and total costs of meeting payments at 100%? In a briefing to MPs in December, the Asbestos Victims Support Groups Forum UK estimated that increasing payments to 100% would cost an additional £5.5 million and that increasing the levy from 2.2% to 3% would raise an additional £11 million. With lower than expected payouts, there would be plenty of surplus cash if the levy were set at 3%, even with payments at 100%.

Andy McDonald (Middlesbrough) (Lab): Does my hon. Friend agree that, at whatever level the levy is set, it is perfectly clear that there is more than enough funding available to do the right thing by those victims and families who received under-settlements at 80%? We could do the right thing by those victims and give them the full compensation at 100%.

Kate Green: Absolutely. Given the relatively small number of claims and the relatively small amounts involved, it is a matter of justice, and I hope the Minister will address the mood of the House this morning by giving us some assurances.

Even if 100% payouts could be afforded from a lower levy, the 3% figure is important because, in addition to funding more generous payouts, surplus cash could be put to other uses, as we have heard. My hon. Friend the Member for Liverpool, Walton and the hon. Members for Chatham and Aylesford (Tracey Crouch) and for Strangford (Jim Shannon) all asked about funding for research. Mesothelioma is always fatal. It is a truly terrible disease that is massively cruel to sufferers and their loved ones, who have to watch them die in the most horrific manner. There is a crying need for research into treatment of the disease, yet today research is woefully underfunded. Although the recently announced voluntary contribution to the British Lung Foundation by the insurers Aviva and Zurich over the next two years is welcome, the abundance of good research proposals, as evidenced by the written answer I received from the Under-Secretary of State for Health, the hon. Member for Mid Norfolk (George Freeman) on 7 January 2015, suggests that mesothelioma research could benefit from more funding, which would benefit the insurance industry, the public purse and, of course, victims. What steps are the Government taking to place research funding on a sustainable footing?

With claims lower than expected, and with a 3% levy, another possibility is to backdate payments under the scheme to an earlier date. Under the legislation, the cut-off date for claims is for those diagnosed after 25 July 2012 but, as my hon. Friend the Member for Wansbeck pointed out, we have known about the lethal effects of asbestos for many years—indeed, since the early decades of the last century—and for many years, the industry did all it could to evade its responsibilities to victims. There will now be very few, if any, survivors who received a diagnosis before 2012, given the speed and ferocity of the disease after diagnosis. The usual prognosis

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is less than 12 months, and personal representatives cannot make a claim where the sufferer died before the commencement of the scheme. None the less, in a few cases there may be an opportunity for greater generosity in relation to the cut-off date, or the Government might like to rethink their position on personal representatives. Has the Minister considered the scope for earlier eligibility? What will happen if claims increase over the next few years to the extent that the levy is insufficient to meet them after all? Will payments remain at 100%?

Can the Minister confirm that the cost to the industry will never fall below 3% in any given year? Or is it his intention that the levy will not average less than 3% over the whole life of the scheme? What is happening to the Government's £30 million loan and £17 million payment to the industry to help it meet the costs of the scheme? Given the lower than expected number of claims, will that generous Government support now be reduced or removed? We know that the industry expected the scheme to run for 30 to 40 years because of the long latency of the disease. What discussions have the Minister or his colleague, Lord Freud, who has been leading discussions with industry representatives, had about the industry's forecasts of future costs?

As my hon. Friend the Member for Wansbeck said, we would like the Minister to say something about the figure for benefits recovered by the compensation recovery unit. Under the legislation, social security benefits that have been paid to sufferers are clawed back if the sufferer makes a successful claim under the scheme. My understanding is that recoveries amounted to £8 million in the scheme's first seven months. Does the Minister think that clawing back benefits at 100% is fair to sufferers who received less than 100% of average damages? Will he consider reducing recoveries from their benefits, at the very least, in line with the proportion of average damages that they actually received?

On other matters, what progress has there been on addressing the difficulty we ran into with the approach of Her Majesty's Revenue and Customs to releasing employment records, which are essential to making a claim under the scheme or, indeed, to pursuing a claim in the courts? I am pleased that a Government amendment to the Deregulation Bill has ensured that, in future, HMRC will be able to release those records without fear of breaching data protection law, but the Bill has not yet completed its parliamentary passage. Is the Minister aware of any cases in the meantime in which HMRC has been asked for records? What approach is HMRC currently taking? There has, of course, been a recent helpful legal judgment in a case brought by my own union, Unite, but I understand that the limitations of the judgment mean that the matter will not be fully resolved in all cases until the Bill becomes law.

Finally, and especially given the lower than expected take-up, has the Minister taken the opportunity to consider how the Diffuse Mesothelioma Payment Scheme might be widened to non-employment cases, to cases of collateral contamination—for example, where a family member contracts the illness as a result of exposure to the clothes or equipment of a relative who has worked with asbestos—to the self-employed or to Government employees, including veterans of the armed forces, who are not covered by the scheme? What steps are the Government taking to provide relief for sufferers of other asbestos-related diseases?

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The legislation passed by Parliament last year and yesterday's announcement have at last offered some justice to some victims but, as the hon. Member for Strangford pointed out, this country has the shameful record of having one of the highest incidences of asbestos-related illness in the world. We can, and we must, do much better for those who have suffered. I hope the Minister will indicate his willingness, indeed his determination, to look for ways to do so.

Albert Owen (in the Chair): I am grateful to the hon. Lady and to all hon. Members for their thoughtful contributions. I ask the Minister to respond.

10.37 am

The Minister for Disabled People (Mr Mark Harper): It is a great pleasure to serve under your chairmanship, Mr Owen. I congratulate the hon. Member for Liverpool, Walton (Steve Rotheram) on securing this debate. He takes a close interest in asbestos-related issues. A little while ago, we both took part in an Adjournment debate on other issues related to asbestos and safety.

I start by echoing the hon. Gentleman's sentiments towards the late Paul Goggins. I remember very clearly the debate in the House on the Mesothelioma Act 2014 shortly after his sad death. I also echo the hon. Gentleman's generous comments about my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), who picked up the baton on that occasion, although I do not echo his comments about football. Coming from Gloucestershire, which is a rugby-playing part of the world, I should probably leave the football dispute to other people. [*Interruption.*] It is probably not good for me to talk about rugby in your presence, Mr Owen, so we will move on.

This has been a very good debate, and it has been helpful in the context of yesterday's written statement. I will answer some of the questions that colleagues have raised. Following some of the contributions, including from the shadow Minister, it is worth briefly placing on record that the scheme that was legislated for last year, the Diffuse Mesothelioma Payment Scheme, is of course not the only scheme in statute to address such difficult issues. The Pneumoconiosis etc. (Workers' Compensation) Act 1979 set up the first scheme. That had significant gaps in it, which is why the previous Government, with the support of the then Conservative Opposition, introduced the 2008 scheme in the Child Maintenance and Other Payments Act 2008, which deals with those who did not necessarily work in the industry, but were self-employed, or, in some cases, family members of those who worked in the industry. This scheme comes in the wake of that to deal with some of the issues that those schemes did not deal with.

It is worth putting on the record the scope of the schemes. Although the hon. Member for Strangford (Jim Shannon) mentioned them, the 1979 scheme and the 2008 scheme are both Great Britain schemes, so they do not apply to Northern Ireland. The responsibility for welfare policy lies with the Northern Ireland Executive. The 2014 scheme, which we are discussing today, is a UK-wide scheme and applies in Northern Ireland as well as England, Scotland and Wales.

To pick up the point raised by the hon. Member for Strangford, people in Northern Ireland have three years to apply for the scheme from the point of diagnosis, which is the same as in England, Scotland and Wales, so

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I do not think there is a difference in the way the scheme operates. However, he is right to point out that the previous two schemes do not apply in Northern Ireland.

Jim Shannon: I thank the Minister for giving way; he knows I have to leave fairly shortly and I wanted to intervene in advance of that. After the announcement has been made, when does the Minister hope to have direct contact with the Minister responsible in the Northern

Ireland Assembly so that we can co-ordinate the delivery of the compensation plan for the whole of the United Kingdom—Great Britain and Northern Ireland?

Mr Harper: I referred to the hon. Gentleman's point first because I know that he has other pressing business on behalf of his constituents, and he had the courtesy to let me know, so I wanted to deal with his point while he was still in the Chamber. As he knows, I plan to meet the Northern Ireland Minister with responsibility for welfare to discuss other matters to do with welfare in the wake of the Stormont House agreement. I will ask my officials to place this issue on the agenda and we can have a conversation about that to make sure it is clear how it will be implemented in Northern Ireland.

One point flowed through the remarks of the hon. Members for Liverpool, Walton and for Stretford and Urmston (Kate Green) and my hon. Friend the Member for Chatham and Aylesford. I will set out my understanding of the position, which is clear. There was a lot of discussion about the levy on the industry. The scheme is effectively demand-led: people make applications to it and the costs of the scheme are then recovered through a levy on the industry. The 3% that has been talked about is a cap. The insurance industry agreed that if the cost remained below that level, it would absorb the cost of the scheme and would not pass it on to other employers who take out employers' liability insurance through increased premiums. That was important. The Government did not want the cost of the scheme to fall on employers across Britain: we wanted it to be absorbed by the insurance industry.

So the 3% is a cap, not a target. The costs of the scheme are calculated and then the levy is calculated to recover the costs of the scheme. The hon. Members for Liverpool, Walton, for Strangford and for Stretford and Urmston referred to Lord Freud's written statement on 28 November last year. He set out the costs of the scheme in the first period of the year, how much that encompassed and how much would therefore be recovered from the insurance industry. That position is clear. *[Interruption.]* Let me finish this thought and then I will take a question.

Hon. Members seem to have envisaged, although it was not envisaged by the Government, that there would be a 3% levy, some of the money from which would be used for settling claims and the rest would form a pot of money that could be distributed as Ministers or others saw fit. However, it is a cap on the costs that land on the industry. The industry agreed that if that remained the cap, it would absorb the costs of the scheme and not pass them on to employers more generally.

Kate Green: Unlike me, the Minister did not sit through all the Bill's Committee sittings when we were passing the legislation. It really was not our understanding,

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when his predecessor said that 3% is 3% and not going anywhere, that that meant it was a cap. We took it as a figure that would be reached, and it was also what was understood by the victim support groups.

Mr Harper: I take the hon. Lady's point that I was not the Minister at the time and was not present at those sittings. She asked me a written question following the written statement in November, and I made it clear in my answer that the 3% figure was the maximum percentage of the active employers' liability insurance market to be levied on the insurance industry to

recoup the costs of the scheme. I made it clear that the figure was a cap, rather than a set rate, and that the levy rate was based on the estimated costs of the scheme, extrapolated from the first seven months of the operation. The scheme is demand-led and calculations for the levy are done afresh each year. An upturn in applications to the scheme would result in a higher levy rate in future years, so the levy rate is kept under continual active review.

Steve Rotheram: The Minister has used the words “levy” and “cap” interchangeably on numerous occasions, which is confusing. During the passage of the Bill, it was clear that we talked about a levy. The right hon. Member for Hemel Hempstead (Mike Penning) was the Minister at the time, and he talked about a levy. When is a levy a cap?

Mr Harper: No, I do not think we are at cross purposes at all. It is a levy, but it is capped at 3%. The amount of the levy is set, based on the costs of the scheme. The costs are calculated and then the levy rate is calculated to recover the costs, and it was agreed that the cap would be 3%. That is the position that I made clear in my answer to the written question from the hon. Member for Stretford and Urmston. It is a levy that is capped at 3%. The deal was that the insurance industry would absorb the costs of the scheme and not pass them on to employers through employers’ liability premiums if they remained below 3%, which is why the 3% cap was set.

Steve Rotheram: The Minister is trying valiantly to justify what he has picked up. It is not what was intended for the scheme and it is not what was said during the passage of the Bill. I understand that the cap is a maximum, but it was calculated according to what the industry said it could afford. The industry said 3% of this huge figure—about £1.4 billion or £1.5 billion—was the levy it would draw down. That was the amount that the industry thought would be needed for claimants, and that is why we get the figure of 80%, by the way. It was 80% because the industry thought it would be swallowed up by the 3% levy. I am sorry, but the Minister cannot have it both ways.

Mr Harper: The commitment that the industry made was not in terms of what it could afford. It was about what the industry was going to absorb and not pass on to employers more generally. It was important that the costs of compensating sufferers of the disease did not fall on employers generally. We wanted the costs to fall on the insurance industry. It is worth reminding people that the insurance companies that pay the levy today are not necessarily the insurance companies that took

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the premiums for the policies in the first place. That is part of the problem, because of the long latency of the disease.

Governments have created all the schemes—the 1979 scheme, the 2008 scheme and this one—because of the long period between when someone has exposure to asbestos and the diagnosis of the disease. The impact of the disease over a very long period of time led to all the issues with employers not being in business—that generated the 1979 scheme—and the inability to trace either employers or their insurers. All such issues relate to that long period of time, which is why it is important that the costs are borne by the insurance industry, although they are not necessarily the same companies that took the premiums in the first place. That is why it was important for the Government to work on this in an agreed and proportionate way, so that we could get the scheme in place to ensure the benefits go to the

victims of the disease. If the matter had got bogged down in a big argument and legal disputes, there would not be a scheme and there would not be any compensation for people. Both Lord Freud and my predecessor as Minister wanted to make sure that the scheme came into force, so that it could start benefiting victims of this disease.

Let me respond to a couple of questions that the hon. Member for Liverpool, Walton specifically put about the written ministerial statement yesterday, which I think was generally welcomed by colleagues, including my hon. Friend the Member for Chatham and Aylesford. Lord Freud made it clear at the beginning of that statement that we are going to monitor the progress of the scheme and the extent to which the assumptions about claim rates are borne out.

During the first months of the scheme, the number of claims is much lower than at other times. However, partly because the Employers' Liability Tracing Office has been doing an increasingly good job of tracing insurance policies—meaning that sufferers of this disease can more easily, and rightly, pursue compensation from those from whom compensation is due—the costs of the scheme are lower than had been thought. Therefore, we thought it was right to increase the tariff from 80% of average civil claims to 100% from the date of the announcement. The regulations to bring the scheme into effect will become law next month, but as is usual in government the uprating will apply from the date of the announcement, in the same way that the scheme in the first place applies from the date it was announced, which was 25 July 2012.

That is a general rule in government. I know that it is always difficult, because when a scheme is set up there always has to be a starting point and obviously some people will always be on the wrong side of that starting point. However, it is a general rule in government that we have to start things from when we announce them, and not backdate them. *[Interruption.]* I hear the shadow Minister, sighing, but if she ever has ministerial responsibility—for various reasons, I hope that she will not have such responsibility—I think she will very quickly understand the logic of not backdating things, and if she does not then the conversations she will have with others in her party will soon persuade her of the wisdom of that approach.

I want to be clear, although I think it was made clear in the written ministerial statement yesterday, that the announcement yesterday means that the scheme will

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start from yesterday for those already diagnosed, even though that is ahead of the legislation coming into force. Again, that is the same argument that the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) made—I probably mispronounced the name of his constituency, although I always try to pronounce it correctly—when he referred to the starting point of the scheme. I know that he has tabled a number of written questions about this subject on behalf of his constituents, but I am afraid that that has to remain the position.

Both the hon. Members for Liverpool, Walton and for Stretford and Urmston, as well as my hon. Friend the Member for Chatham and Aylesford, talked about increasing the take-up of the scheme. We have been working with stakeholders, including the Asbestos Victim Support group, Macmillan nurses and other groups, to ensure they have information about the scheme, so that they can notify those victims who have been newly diagnosed. We will continue to

consider what more we can do. For example, if someone searches for information about this subject on the internet, as is common now, we have made sure that the scheme will come high up on the search list, so that people can locate it. If anyone has any ideas about how better to communicate that information, I am very happy to listen to them. We think that we are doing a good job, but I guess that one can always do better at communicating.

Mr MacNeil: I just wanted to check a point with the Minister. Is it his intention that everybody who suffers from this terrible disease gets the compensation they are due, regardless of dates, timings, or whatever? They have suffered and there is compensation in place, so should they all not get that compensation, regardless of some bureaucracy around the edges?

Mr Harper: When one sets up a scheme, it has to have a starting point; we cannot extend it indefinitely. Of course, this scheme is not the first such scheme or the only scheme that is available for those who suffer from mesothelioma. There were two previous schemes—the 1979 scheme and the 2008 scheme—and the reason for developing the latter scheme is that there were obviously groups of people who were not covered by the earlier scheme. I remember that the 2008 scheme was specifically designed to cover, for example, family members of those people who had perhaps come into contact with asbestos fibres but who had not worked in the industry and had not been covered by the 1979 scheme; I think that it was the hon. Member for Wansbeck (Ian Lavery) who mentioned those family members. So, we can widen the scope of schemes, but we still need to have a starting point for a scheme. That always generates some concern, because wherever one starts a scheme there will always be somebody on the other side of the line. I recognise why those people will not be comfortable with that, but I do not think that it is an issue.

I will just be clear about another point. Although people affected will be encompassed by the scheme from yesterday's date, the actual payment to them from the scheme will obviously have to wait for the regulations to come into force next month. Nevertheless, those people will be eligible for the payment from yesterday.

My hon. Friend the Member for Chatham and Aylesford, and others, referred to the issue of research. I know that she has a long interest in this subject because her

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constituency is, as she said, a hot spot for this disease, given the industrial history of the local area. So she was interested in this subject even before she was a Member of this house. She referred to some research that is taking place in her local area and welcomed the fact that two insurance companies have put money into research. She made the point very well, that those companies had perhaps demonstrated a certain amount of leadership, and she was keen for others in the industry to follow their lead; I am sure that they will have noted that call.

As I say, my hon. Friend specifically talked about research. The Government agree with her: we also want to see more research in this area. The National Institute for Health Research is calling for mesothelioma research proposals. I listened carefully to the point that was made—I think it was by the shadow Minister—about a written answer that the Minister of State, Department of Health, my right hon. Friend the Member for North Norfolk (Norman Lamb), had given about this issue. I have not seen that written answer, but it sounded like he had talked about some research proposals that were awaiting funding. However, my hon. Friend

the Member for Chatham and Aylesford referred to a shortage of research proposals. So I will ask officials to look at this apparent discrepancy. The shadow Minister said there were lots of proposals but no money, whereas my hon. Friend said that there were not really enough proposals.

Another hon. Member also referred to a shortage of research proposals; I forget whether it was the hon. Member for Liverpool, Walton or the hon. Member for Wansbeck. The general sense that I was picking up was that the number of research proposals did not seem to be in line with the tragically large number of people who are dying from this disease—it seemed out of kilter—so the points by my hon. Friend and other hon. Members about research were well made. We set up a partnership, including patients and clinicians, to identify research priorities in this area, and the results were published in December.

Mr MacNeil: What then is available to my constituent, who was diagnosed before 25 July 2012, but died in November 2012?

Albert Owen (in the Chair): The Minister has just over two minutes left to speak.

Mr Harper: Given what the hon. Gentleman says, and it is obviously the reason why he has tabled written questions, his constituent is not eligible for this scheme. What I do not know without looking at the specific

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facts of the case—obviously, if he has not already done so, he can either write to myself or Lord Freud with those facts—is whether they will be eligible for one of the other existing statutory schemes. If the hon. Gentleman writes to us, we can then look into the case to see whether his constituent is eligible for the other schemes.

Steve Rotheram: Will the Minister give way?

Mr Harper: Of course—briefly.

Steve Rotheram: I will be very brief, before the Minister finishes his remarks. Given that the expectation, even from the industry, was that the cost of the scheme would equate to 3%—I do not think that is arguable; hence the levy—does he believe that some of the residual amount, or underspend, should be invested in research? It is really important that research is top of the agenda.

Mr Harper: There are two separate questions there. I do not agree with the hon. Gentleman's characterisation—I suppose it depends where you start from. His understanding was that the 3% was an amount that was going to be levied to generate an amount of money, some of which would be used for the compensation and then, effectively, others could choose to spend it, but that is not my understanding and not the Government's understanding of the scheme.

However, his general point—I am trying to answer his question about research funding—is that there is a clear view that there should be more research in this area. I will undertake to go away and look at the gap in the general debate between—

Kate Green: Will the Minister give way?

Mr Harper: Let me just answer the hon. Gentleman's question; I hope the hon. Lady will forgive me for not giving way to her. As I was saying, I will look at the gap between the number of research proposals—my hon. Friend the Member for Chatham and Aylesford suggested there are not enough proposals, whereas the hon. Lady suggested there were quite a lot of proposals but not enough money. Let me look at what money is available from statutory funding sources; from the National Institute for Health Research and other funders in the area. It might be helpful if we can draw that funding information together, so that Members can see the overall picture of funding in this area. I would be interested to look at that and see how it is related to the need, based on the number of people who are sadly victims of this dreadful disease. That may be helpful to inform further developments—

Albert Owen (in the Chair): Order.

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<http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm150211/halltext/150211h0001.htm#15021186000001>