

Friday
23 October 2015

Volume 600
No. 56



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Friday 23 October 2015

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Philip Davies (Shipley) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163), and negatived.

Defence Expenditure (NATO Target) Bill

Second Reading

9.34 am

Sir Gerald Howarth (Aldershot) (Con): I beg to move, That the Bill be now read a Second time.

Bob Stewart (Beckenham) (Con): Chocks away!

Sir Gerald Howarth: I thank my hon. Friend from the Army for reminding the House of my interest and experience in aviation.

I am genuinely delighted to open this important debate on defence spending and to introduce my Bill to give legal effect to the Government's welcome commitment to meet the NATO target of spending 2% of gross domestic product on defence. It is an additional pleasure to do so as a former Defence Minister and the Member of Parliament for Aldershot, the home of the British Army, and for Farnborough, the birthplace of British aviation and the home of many of Britain's finest and world-leading defence companies, whose contribution to our national security is invaluable.

It is also very good to see my hon. Friend the Minister for Defence Procurement, who is responsible for defence equipment and support. He is representing the Government today, but he is a very great friend of mine who is discharging his responsibilities with extraordinary dedication and professionalism.

By the same token, although I have not known the hon. Member for York Central (Rachael Maskell) for as long, I had the pleasure of meeting her earlier this week and I warmly welcome her to her role as shadow Minister. She will find that it is one of the most exciting privileges in this place to have some responsibility for the management of the defence of our country and I wish her well as she seeks to hold the Government to account, as, of course, do we on the Government Benches, fulfilling our constitutional duty.

Before I address the detail of the Bill, I want to set out the context as I see it. I am sure that you will understand, Mr Speaker, but the full force of my argument in support of the Bill cannot be made without reference to the context. Since my right hon. Friends and I produced the strategic defence and security review of 2010 there has been a massive change in the international scene. In a nutshell, we live in an increasingly dangerous

world. The turmoil created by the Arab spring, the Syrian uprising, the Libyan campaign, Russia's illegal annexation of the Crimea, which itself followed the illegal annexation of a part of Georgia in 2008, and the rise of ISIL has transformed the international landscape, but that is not the end of it. The jury is out on Iran's intentions and North Korea remains an utterly irresponsible dictatorship, determined to develop further weapons of mass destruction. The stand-off between India and Pakistan, both nuclear powers, from time to time threatens to destabilise that important region.

Most importantly, in this, the week of the state visit by the President of the People's Republic of China, that country is causing concern not just to the Japanese but more widely across the region. As I reminded the House again on Monday, China has recently embarked on a relentless process of colonising uninhabited but disputed atolls in the South China sea, where it is building runways and port facilities. In May, US Defence Secretary Ash Carter prodded China on its continued rapid reclamation efforts, which have resulted in 2,000 acres of land that China claims as sovereign territory but that the United States refuses to recognise. Although China claims this as sovereign territory, many of the islands, including the Spratly islands—that is a wonderful name; I always like putting it on the record—are claimed by other regional powers.

The US Defence Secretary said in some prepared remarks in May that

“China is out of step with both the international rules and norms that underscore the Asia-Pacific's security architecture, and the regional consensus that favors diplomacy and opposes coercion.”

He reinforced that message more recently when he said that the United States

“will fly, sail, and operate wherever the international law permits... at the times and places of our choosing”.

Last night's news that TalkTalk had been subjected to a massive cyber-attack serves as a timely reminder of the ever-increasing threat to our security and our intellectual property from such attacks, often committed by criminals, but from time to time committed by nation states, including the People's Republic of China.

Sir Greg Knight (East Yorkshire) (Con): My hon. Friend is making an effective case for adequate and proper defence spending, but as he and I are both against unnecessary red tape I hope that during his remarks he will deal with why he feels we should have the straitjacket of legislation in this area.

Sir Gerald Howarth: I am grateful to my right hon. Friend and of course I shall come on to that. As I explained at the outset, in order to explain why I believe this Bill is so important, it is critical to set out the international scene as I see it, for defence can be undertaken only in the context of an analysis of the threats we face. That is why a strategic—I emphasise strategic—defence and security review is under way at present. We could not cover the strategic element in the last SDSR because we had only five months in which to prepare, our having come into government in May 2010. That review was largely Treasury-driven and needed to be Treasury-driven. The present one is different.

Bob Stewart: On my hon. Friend's comment about China and cyber-warfare, I am sure he knows as well as I do

[Bob Stewart]

that China has a dedicated cyber-warfare division, which it exercises—it last did so, as far as I know, three years ago—and practises attacks against the west.

Sir Gerald Howarth: Indeed. My hon. and gallant Friend has come to my support, for I was about to say that it was our recognition of the significance of cyber-security that led us, when my right hon. Friend the Member for North Somerset (Dr Fox) was Secretary of State—I am sure he is in the Chamber—to identify cyber as what he called an up-arrow. At the time there did not appear to be a threat from Russia, so heavy armour became a down-arrow—that is, an area where we felt we could take a hit—but cyber was identified in 2010 as being one of the areas we needed to prioritise. That led us to earmark £650 million over five years to address that threat. As the then Secretary of State and now Foreign Secretary, my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond), revealed last year, some of those funds are being directed at the development by the UK of an offensive cyber capability, which I thoroughly support.

To give the House a bit of the flavour of what we are talking about in the cyber-attack context, *The Times* published an article on 10 September headed “Cyber criminals make Britain their top target”. A company had analysed 75 million raids on international businesses over three months. It showed that Britain was the criminals’ favourite country, followed by America. Online lenders and financial services are losing up to £2 billion a year to hackers stealing passwords and creating false accounts. The scale of the challenge is highlighted by the volume of attacks, with all those attempts being recorded between May and July this year alone.

Mr Christopher Chope (Christchurch) (Con): It so happens that last weekend I was stopped in the street by a constituent who works at Roke Manor, who told me that this is a really serious problem. She raised it in the context of the Chinese visit.

Sir Gerald Howarth: I am grateful to my hon. Friend for two reasons—first, he reinforces my argument, and, secondly, he puts on the record an institution of phenomenal value to this country, Roke Manor Research, formerly owned by a German company and now very much in British hands. As I am sure the Minister knows, Roke Manor is doing outstanding work. It is an example of the leading-edge technology that is available to defence in this country and that it is so important we maintain.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I congratulate my hon. Friend on introducing this Bill for discussion in the House today. Does he agree that the situation is even more alarming when we look at the size of Chinese defence spending, which was recently announced to be \$144.2 billion—a 10% year-on-year increase, approximately?

Sir Gerald Howarth: I am most grateful to my right hon. Friend for independently adding to the case on what we face around the world. Russia is engaged in about the same ramping up its defence spending and, accordingly, its capability. I am very grateful to her for making that point.

Significantly, the message for those engaged in drawing up defence planning assumptions is that in the space of barely three years the assumptions on which we worked in 2010 were blown apart. None of the events I listed earlier was remotely foreseen. For those of us brought up in the shadow of the iron curtain, over which two massive superpowers pivoted on an uneasy equilibrium—I was brought up in Germany—today’s outlook seems decidedly more complex and more dangerous. It is against that backdrop of a seriously turbulent world that we need to judge the priority we accord to defence of the realm.

There is no doubt that Europe’s security and peace for the past 70 years has been largely delivered by the North Atlantic Treaty Organisation—NATO. The North Atlantic treaty was signed on 4 April 1949 as a means of establishing enduring stability and peace in Europe. Under article 5, the new allies agreed

“that an armed attack against one or more of them...shall be considered an attack against them all”

and that were such an attack to take place, each ally would take

“such action as it deems necessary, including the use of armed force”

in response. Understandably, much has been made of article 5 as the foundation stone of north Atlantic peace, and the onus it places on all alliance members, but it is also worth considering article 3, which states that

“the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.”

Arguably, this set the precedent for the 2% target long before it was first mooted in 2006, and it has subsequently become the target for alliance members.

Dr Julian Lewis (New Forest East) (Con): May I urge my hon. Friend not to use the word “target”? It is in fact a minimum. Those countries that are below the minimum may have it as a target; those that have always been above it should not be ringing the church bells just because we have decided not to go below it.

Mr Speaker: Order. I think the right hon. Member for New Forest East (Dr Lewis) is pleading for terminological exactitude.

Sir Gerald Howarth: I quite understand that that finds the most enormous favour with you, Sir. My right hon. Friend is to be commended, I am sure you will agree, for his terminological exactitude. However, he anticipates something I shall say later.

The US and Britain have long been meeting this target given the necessity of a strong defence during the cold war. We were spending about 10% on defence in the 1950s and 4% to 5% in the ’80s, and we are hovering at 2% today. Of course, the higher level of defence spending was because of the cold war. While we are not in the same state of emergency now, Russia’s aggression in Ukraine led the then NATO Secretary-General, Anders Fogh Rasmussen, to whom I pay tribute for his work, to say in March 2014:

“We live in a different world than we did less than a month ago.”

However, it became clear that there was a perceived imbalance in the structure of the alliance, with the current volume of US defence expenditure representing

73%—almost three quarters—of the defence spending of the entire alliance as a whole. It spent 3.5% on defence last year compared with our 2.2% and Germany's less than 1.5%. NATO would not continue under America's patronage if the alliance were to meet its necessary credibility as a politico-military organisation, with all 28 members committed to the treaty and its requirements.

Today 28 states all stand committed under article 5 of the NATO treaty to come to each other's defence if one of them were to be attacked by a foreign aggressor. Together with the commitment of the United States and the United Kingdom to maintain a continuous at-sea nuclear deterrent, article 5 has for the past 70 years served to preserve the security of all of western Europe and has been the central tenet underpinning Britain's defence and security strategy for my entire lifetime. It is not the European Union but NATO that has been the guarantor of the peace in Europe. Furthermore, recent operations in Afghanistan and Libya have proved that NATO has a valuable out-of-area role to play.

It is essential for our present and future peace and prosperity that in all strategic decisions we make as a nation we show our unwavering support for the alliance. That includes ensuring we have the manpower to conduct operations such as those in Kosovo, Iraq and Afghanistan, as well as the hardware to defend alliance countries through the deployment of assets such as Royal Air Force Typhoons patrolling our skies and those of former Soviet satellite states such as Latvia, Lithuania and Estonia, which are under increasing pressure and hostility from Russia.

NATO requires all alliance members to meet its defence expenditure target of 2% of GDP. Currently only four do so: the United States, the United Kingdom, Greece and Estonia. This Bill, when passed into law, will ensure that the Government maintain their leading position in the alliance by ensuring that we keep spending at least 2% on our national defence. That is not an arbitrary figure. It is totemic in its importance for Britain's standing in the world, Europe's security and for maintaining our special relationship with our closest ally, the United States of America.

I am particularly pleased to see present some of my hon. Friends who argued so passionately in support of the Liberal Democrats' International Development (Official Development Assistance Target) Act 2015 in the last parliamentary Session, to enshrine in law that we commit 0.7% of our gross national income to international aid. They are fulfilling the offer they made then to support this Bill if I were fortunate enough to secure a place in the ballot. I particularly appreciate the support of my hon. Friend the Member for Congleton (Fiona Bruce). She was a doughty champion of the 2015 Act and she told me that she agreed that we should do the same for defence, so I am grateful to her for her presence today.

Sir Edward Leigh (Gainsborough) (Con): From a public accounts point of view, the concept of protecting Departments is causing enormous stresses in Government. For instance, the entire budget of the Foreign Office is only twice the amount of aid we give to Ethiopia. We must address that, and surely the way to do so, particularly given the possibility of massive procurement overruns, is not for MOD accountants to aim for 2%. As my right hon. Friend the Member for New Forest East (Dr Lewis) has said, that has to be seen as a minimum; otherwise there will be chaos in procurement.

Sir Gerald Howarth: My hon. Friend is absolutely right, and that is why clause 1 of my Bill states that the figure should be at least 2%. It is therefore a base, not a ceiling.

Philip Davies (Shipley) (Con): I commend my hon. Friend for promoting this Bill. I am sure he will agree that the Minister is a good man. Does he share my hope that the Minister will not insult our intelligence by saying that the Government will not support the Bill and that it is unnecessary because we are already hitting the 2% target, given that we were already hitting the 0.7% target for overseas aid when the Government supported enshrining that into law?

Sir Gerald Howarth: My hon. Friend has the capacity for perspicacity and anticipates a point I shall make shortly. I agree with him entirely. My Bill seeks to follow, almost slavishly, the principle set by the 2015 Act. I did that intentionally, to encourage the Government to give this Bill, promoted by a Conservative, the same strength of support they gave to a Liberal Democrat Bill.

John Glen (Salisbury) (Con): One of the issues that concerns me is the inherent flexibility in the definition of what NATO says is acceptable as constituting part of the 2%. If for the first time this year war pensions, pensions of retired civilian MOD personnel and contributions to UN peacekeeping missions are deemed acceptable, is there not a risk that there will be flexibility in what is included in the 2% and that underlying expenditure on defence capabilities will be unclear?

Sir Gerald Howarth: My hon. Friend is absolutely right. I want to address that issue. The Bill involves a number of technicalities, and that is one of them.

I have always accepted that overseas aid has a role to play, but I have consistently opposed the extraordinary increase that the Department for International Development has enjoyed from Government ring-fencing since 2010—up from £8.5 billion in 2010 to £13 billion in 2014—to meet the figure of 0.7% of gross national income.

It may benefit you, Mr Speaker, and the House if I explain the difference between GDP and GNI. I am advised that GDP is the market value of all services and goods within the borders of a nation, the measure of a country's overall economic output, and GNI is the total value produced within a country, comprising GDP plus the income obtained from overseas through businesses and so on that have foreign operations. GNI is therefore a more generous fiscal measurement, which naturally inflates the amount of overseas aid required to meet the 0.7% figure.

Mr Henry Bellingham (North West Norfolk) (Con): It is important to bear in mind the Government's policy on overseas aid. They have made it very clear that as countries move to middle-income status, so aid will be withdrawn and we will move to more of a trade relationship. In theory, the 0.7% would therefore become redundant. Does my hon. Friend agree that the country's duty to defend itself will never become redundant?

Sir Gerald Howarth: My hon. Friend is absolutely right.

The problem is that today's policy is driven by a belief that a key way to respond to the challenges we face is to increase our intervention upstream so that, by providing

[*Sir Gerald Howarth*]

aid to poor and dysfunctional countries, we reduce the causes of tension and thus our need for hard power. My response is twofold.

First, there is little evidence, despite committing the massive figure of £13 billion of public money, that such soft power delivers the effect sought. We have provided more than £1 billion to assist refugee camps to cope with the Syrian crisis, yet there has been palpably no reduction in the tidal wave of migrants, whether economic migrants or those genuinely fleeing persecution. I support what the Government are doing in Syria, which is noble and right. We should seek to maintain refugees near their country of origin, not to uproot them and import them into the continent of Europe. I strongly support that policy.

Secondly, there seems to be a quaint idea that the exercise of soft power offers an alternative to hard power. Make no mistake, Mr Speaker: without serious hard power, your soft power is completely non-existent. As Theodore Roosevelt said, it is better to “carry a big stick”, and then you can speak softly.

Kevin Foster (Torbay) (Con): My hon. Friend is making a powerful point. Does he agree that the two budgets are not mutually exclusive? As things such as Operation Gritrock have shown, military capability gives us choices to deliver humanitarian goals.

Sir Gerald Howarth: I could not agree more. There is an argument that we should combine all such budgets. I am not in favour of that, because it might turn out to be an excuse for reducing our defence budget. I am not opposed to overseas aid, which has a role to play. We are talking about priorities or quantum. In trying to establish our priorities, I am pointing out that soft power—overseas aid is a massive implement of soft power—has limited value in terms of the threats we face around the world.

Philip Davies: Is it therefore the case that the Government could claim to be spending one amount of money to hit both the 0.7% target on aid and the 2% target on defence, in effect double counting the same money?

Sir Gerald Howarth: That is entirely possible, but I am sure the Chancellor of the Exchequer would not be guilty of such double counting, for he is our right hon. Friend.

Some have said that my Bill has been rendered redundant because the Chancellor guaranteed in July that the Government would commit to the 2% target until 2020. Given my party’s reticence to make such a pledge during the general election campaign, I was naturally delighted by that somewhat surprising announcement. However, it soon became clear that to meet the 2% target, the Government had to engage in a certain amount of creative accounting by including several items in our NATO return for 2015 that had hitherto not been included in the defence budget.

Looking at the specific financial detail of our current defence expenditure is complex, as NATO does not have a clear set of parameters on what constitutes defence spending, unlike the OECD in its monitoring of aid spending. Furthermore, NATO’s definition of spending and the Government’s definition differ, in as much as

NATO publishes its figures retrospectively and is thus able to include costs from military operations, whereas the British Government’s defence expenditure document is forward-looking and is unable to account for unforeseen operational requirements. The NATO figure is therefore higher than the Government’s. To simplify the debate, I am using the Government’s calculation of our defence expenditure.

The House of Commons Library, to which I pay tribute for the fantastic job that it does in serving us entirely impartially and incredibly professionally, advised me a few days ago that, according to figures published by NATO on 22 June, the United Kingdom is projected to spend just over £39 billion on defence in 2015-16. That is reckoned to be 2.08% of GDP.

However, when reporting to NATO, the United Kingdom included several items of expenditure that had not been included in previous years: provision for war pensions of about £820 million; assessed contributions to UK peacekeeping missions of £400 million; pensions for retired civilian MOD personnel, possibly amounting to £200 million; and much of the MOD’s income of about £1.4 billion, including £164 million received as a result of the sale of the Defence Support Group to Babcock, for which the Minister was entirely responsible and on which I congratulate him.

Although it is perfectly legitimate under NATO’s rules to include those items, their inclusion serves only one purpose: to assert that we are meeting the NATO target, albeit by the skin of our teeth. It adds no new money to meet the essential demands of defence. I understand that the Minister will tell us that the income of £1.4 billion is new money, and I am happy to accept that, but that still means that of the £39 billion, another £1.4 billion has been transferred in from other budgets. If that sum were stripped out, we would clearly fall below 2%.

In an excellent briefing paper from the Royal United Services Institute, Professor Malcolm Chalmers explains that if we had used the same parameters as in previous years, we would be on course to spend £36.82 billion on defence in the current year, including £500 million on operations. That amounts to 1.97% of GDP, meaning that we would have fallen below the NATO target for the first time. Thus, it is only by introducing the new accounting rules that we have pushed our defence expenditure over the 2% target.

Although NATO has accepted the changes, it is likely that further such changes will need to be made if the Government are to meet the 2% target for the next five years. As Professor Chalmers observes:

“While the MoD budget is set to grow by 0.5 per cent per annum over the next five years, national income (GDP) is projected to grow by an average of 2.4 per cent per annum over the same period. If these assumptions are correct, UK NATO-countable spending would fall from 2.08 per cent of GDP in 2015/16 to 1.85 per cent of GDP in 2020/21, assuming the recently introduced counting methods are still used. A further £2.7 billion per annum would be needed in 2019/20, and a further £3.5 billion in 2020/21, in order to bring NATO-countable defence spending up to 2.00 per cent of GDP.”

The Budget statement explained that the gap would be filled by including the single intelligence account, which is set to total £2.2 billion by 2020-21. That will close the gap until 2018-19. The further allocation of the £1.5 billion joint security fund by 2020-21 could be

sufficient to cover the shortfall by the end of this Parliament, provided that NATO accepts all those additional accounts as being eligible.

Although funds such as the single intelligence account are committed to Britain's security, the SIA will not equip conventional ground troops or build ships, and it is still unclear what will be included in the joint security fund and how it will be apportioned. I understand that the idea is that it will be up to the MOD, DFID, the agencies and the Foreign and Commonwealth Office to bid for the funds, so there is no guarantee that they will plug the gap in the apparent shortfall later in the decade, as predicted by Professor Chalmers, unless the MOD gets the lion's share.

I acknowledge that NATO has allowed the inclusion of the SIA budget in our annual defence return, and that according to 2013 figures it is estimated that more than 90% of US intelligence programme spending is reported to Congress through the Department of Defence budget. It can justifiably be argued that if our main ally, and the main contributor to defence spending in the alliance, includes secret intelligence funding in its budget, we should be entitled to do the same. Nevertheless, the point remains that the Government are introducing into the defence budget funds that were previously allocated elsewhere.

I know the Government believe that they have met their obligation, but I am concerned by how it has been done. It is hard to see how we are not making ourselves more vulnerable by bringing in other budgets to shore up our 2% commitment rather than spending the money on manpower, equipment and combat readiness, which the increase in our projected GDP would demand by the end of the decade if we were to maintain the 2% spending.

As a direct result of that major shift in the accounting arrangements, I have included in my Bill a clause that is not to be found in the 2015 Act. Clause 4 provides that the Secretary of State be required to

“make arrangements for the independent evaluation of the extent to which United Kingdom defence expenditure meets the criteria established by NATO for determining whether expenditure qualifies as defence expenditure.”

The intention is to hold the Secretary of State to account for what is included in our NATO return and not allow extraneous funds to be included in our defence expenditure.

Before I leave the issue of accounting, I acknowledge that the Chancellor has committed to a 0.5% real-terms increase in defence spending during this Parliament. Although of course I welcome that commitment, I am not sure whether it is a departure from earlier policy. As I recall, when my right hon. Friend the Member for North Somerset was Secretary of State, he secured an undertaking from the Prime Minister that in recognition of our taking a pretty substantial hit, the MOD would receive a 1% per annum real-terms increase in the equipment budget from next year. As equipment accounts for about half of the total MOD budget, is it not the case that the 0.5% is no more than the fulfilling of that undertaking given by the Prime Minister in 2010? I know not the answer and would welcome the Minister's response.

Dr Liam Fox (North Somerset) (Con): For the sake of clarity, the undertaking that was given was not just a defence budget rise. In fact, it was impossible to meet the commitments of Future Force 2020 without that increase.

Sir Gerald Howarth: I am grateful to my right hon. Friend, with whom I had the pleasure and honour of working for such a long time and to whom we all owe a debt of gratitude for having sorted out the mess that was the MOD's accounts when we first arrived in government in 2010. That was a major achievement.

I recognise that this is all very dry stuff, but this debate provides the opportunity to drill down into an analysis of the detail underpinning the Chancellor's trumpeted commitment to meet the 2% target. Why is that so important? There are two reasons. First, the Prime Minister made much at last September's NATO summit at Newport of the importance of NATO's European members stepping up to the plate and delivering effective capability by honouring the NATO obligation to spend 2% on defence. As a result of that Newport summit,

“every NATO member not spending 2% will halt any decline in defence spending and aim to increase it in real terms as GDP grows, and to move towards 2% within a decade.”

As the host nation, our failure to honour that Wales pledge would clearly damage seriously our leadership within NATO, so meeting the 2% target is not simply an accounting matter but goes to the heart of our resolve to prioritise defence in a dangerous world.

Secondly, in recent months, open concern has been expressed by the US about the UK's spending levels and how they affect our ability to fight alongside it. We bring real value to the relationship, which goes beyond men and equipment, not least in the field of intelligence. Underpinning that relationship must be an ability to deliver a critical mass that is able to operate alongside the US.

The 2% target bears an element of the totemic, but the Bill provides for us to set that 2% national target as a minimum. Many of us argue that we should spend as much as we can afford, so as to provide Her Majesty's armed forces with the equipment and manpower that they need to meet the threats and potential threats that we face. Only yesterday, one Labour Member—he is not in his place today; he shall remain nameless but he takes a keen interest in defence—told me that he wants a target of at least 3%, and I know that my right hon. Friend the Member for New Forest East (Dr Lewis), Chair of the Defence Committee, is in the same camp.

There have been plenty of stories about how DFID has struggled to find projects on which to spend the *embarras de richesses* from which it has benefited, with 62% of its budget being distributed through agencies such as the World Bank and the EU. One story earlier this year spoke of £1 billion being up for grabs before the year end in March. In contrast, our armed forces lost whole capabilities and suffered cuts in manpower to meet the Treasury demands that drove the 2010 SDSR. We desperately need a replacement for the Nimrod maritime patrol aircraft.

The RAF is operating at the very margin, as illustrated by the late reprieve for a Tornado squadron, without which we could not have conducted the current tempo of operations in Iraq. I welcome what my right hon. Friend the Secretary of State did with that squadron, but how on earth can we sustain more intensive operations, particularly against a more sophisticated enemy and where we have suffered losses? I simply do not buy the argument that was advanced some years ago by my great friend Geoff Hoon, former Defence Secretary,

[*Sir Gerald Howarth*]

which was that platform numbers do not matter because each one is more sophisticated than previous generations of aircraft and ships.

Consider the Falklands war of 33 years ago. We lost six ships, two Type 42 destroyers, and two Type 21 frigates—the RFA Sir Galahad, and most critically the Atlantic Conveyor with its precious load of helicopters. In 1980 we had a complement of 48 frigates, destroyers and cruisers, but today the loss of two Type 45 destroyers would cut the fleet by one third. If a further third were in maintenance, just two ships would be left to provide one carrier with air defence. The Royal Navy is struggling to meet its standing commitments, and there are real manpower concerns with engineers in short supply and questions over the manning of two new aircraft carriers. The Minister is still unable to confirm whether the new Type 26 global combat ship fleet will be maintained at 13—I very much hope that it will be, but even if it is, 19 frigates and destroyers is woefully inadequate for a seafaring nation such as ours.

There is a decision to reduce Army regulars to 82,000—all of whom could fill Twickenham tomorrow night—as a cost-saving measure. Yes, we are contributing small numbers of personnel around the globe in pursuit of our welcome defence engagement strategy, but during operations in Afghanistan we could barely meet that commitment.

Let us not forget defence research. As the Minister's predecessor, Lord Drayson, stated in his excellent policy document, "Defence industrial strategy", so much of our leading battle-winning technology today is a result of yesterday's investment. If we fail to invest today, how much risk do we assume for the future of our military power? Defence expenditure on research has fallen from £4.3 billion in 1980 to £1.3 billion in 2011-12.

As Sir John Major said to me earlier this week, it is remarkable and encouraging how favourably the United Kingdom is still regarded around the world. We are hugely respected, but much of that derives from our big stick, which in my view is much smaller than it needs to be. In that context, it is critical that the United Kingdom stands shoulder to shoulder with our closest ally, the United States. Its concerns about defence spending have been voiced publicly by a number of senior figures from President Obama down. General Raymond Odierno, head of the US army said in March this year:

"We have a bilateral agreement between our two countries to work together. It is about having a partner that has very close values and the same goals as we do... What has changed, though, is the level of capability. In the past we would have a British Army division working alongside an American army division."

He feared that with any further cuts to Britain's defences, the US military would have to work on the assumption that we would produce only half that number in the future, forming a brigade under US leadership rather than a division in its own right. This would, of course, be catastrophic for Britain's international credibility.

I am encouraged that the Minister was well received in Washington following the Chancellor's Budget commitment, but adding real money—not juggling the accounting—will be the only way to maintain that reassurance. It is no exaggeration, as Malcom Chalmers pointed out, that the US sees us in a special category of our own, a category we must continue to guarantee.

I submit that by enacting this measure we will be sending a clear signal to our allies about the seriousness of our intent.

We have to take note that the United States is seeking to re-evaluate its position. There was much talk earlier of its pivot to the Pacific, with the then Secretary of State Hillary Clinton, in 2011, recalling America's commitment to Europe after world war two by saying:

"The time has come for the United States to make similar investments as a Pacific power."

I am sure that Russia ramping up both its defence spending and its interventions, as in Ukraine and Syria, has tempered any tendency for the US to switch too sharply in the direction of the Pacific, but we should never place ourselves at risk of a sudden US reorientation, which could still occur if China continues its policy of military expansion.

Before I conclude, let me just address the argument that the Government's commitment is enough and we do not need to enshrine it in law. Had it not been for the decision to enshrine our overseas aid target to 0.7%, I might have accepted that. However, as a Conservative who believes the first duty of Government is the defence of the realm, I really struggle to understand why they are prepared to enshrine the law on overseas aid yet doggedly refuse to apply the same principle to defence. It is not as though aid is unique in this context. In the previous Parliament, we were prepared to enshrine in law holding an in/out EU referendum by the end of 2017. Indeed, we all, including my right hon. Friend the Prime Minister, trooped enthusiastically through the Lobby on successive Fridays in support of my hon. Friend the Member for Stockton South (James Wharton). As recently as last week, we voted on the Charter for Budget Responsibility, requiring Governments in normal times to spend less than they take in tax. Much like the European Union Referendum Bill, this measure was seen as a way for the Government to provide a reassurance that they will stick to their commitment, in this case, to eliminate the deficit.

Why are the Government so eager to enshrine certain budgets in law and yet disregard the one that ensures our safety and security? Why have the Government been so keen to ensure future Administrations commit to the aid budget and yet refuse to offer a similar reassurance to the armed forces that they share the same commitment to defence? I fear that the only logical conclusion one can come to is that the Government prioritise overseas aid over defence.

I want to conclude, because I have spoken for rather longer than I had intended. I do not suggest for one minute that the United Kingdom is not a world leader—we are. We are the fifth most important defence power in the world. We have our nuclear deterrent and this Government are committed to the renewal of that deterrent. We have new carriers, which were ordered by the Labour party and are being delivered by us. We have the new joint strike fighter coming on stream. We also have a Prime Minister who entirely, properly and rightly wants Britain to help to shape the world and not simply be shaped by it. To that extent, as the world continues to be a very dangerous place and events clearly show the need for Britain to maintain its strong defence—with north Africa in turmoil, the middle east as fractured as ever, renewed tensions on the eastern border of Europe through Russia's aggression, and with China engaged

with adventures on the South China sea—this is not a time to be playing with the figures on our defence spending. We need to ensure that our armed forces are properly resourced to defend Britain and protect our interests abroad. Our commitment to NATO, the cornerstone of Atlantic peace, remains paramount for our future and the future of the alliance if the treaty is worth the paper on which it is written. We must commit to spend at least 2% of GDP on defence and not draft in other funds to the defence budget in a pretence that we are honouring this commitment. What is more, we must show we mean business by enshrining this commitment in law to send the key message to our allies, most importantly the United States, that we take our place and responsibility in the world extremely seriously, and that we are prepared to defend ourselves and our allies against attack.

At the Conservative party conference, the Prime Minister spoke of security, stability, opportunity. The first two of these can only be achieved through strong defence.

10.19 am

Dr Julian Lewis (New Forest East) (Con): It is possible to argue that my hon. Friend the Member for Aldershot (Sir Gerald Howarth) has already achieved one of the main aims of the Bill, because he originally chose the subject and sought the sponsorship, readily given, of people like me in support of his Bill before the Government gave their welcome pledge to meet the minimum 2% commitment not only for the year ahead but for the remainder of this Parliament, year after year after year. However, I believe he was right not to let the Bill drop, just as I believe that I was right to continue to sponsor it after becoming Chairman of the Defence Select Committee.

The reason that is right is that we must not assume that pledges given at one stage in the political and economic cycle will be good for ever after. It is a sad state of affairs that the word of politicians in government is no longer sufficiently trusted so one feels one must enshrine something in law in order for the electorate to believe that a promise will be kept.

My hon. Friend referred to two previous examples, one of which was to do with overseas aid. In that case, it was indeed a target to be met, not a minimum to avoid dipping below. The other was the referendum—the in/out referendum, let us be precise about it—on our continuing membership of the European Union. That is possibly where a lot of the scepticism crept in, and why trying to get commitments nailed down in law originally took hold.

I distinctly remember in earlier debates about European treaties that referenda were demanded. Parties, not least our former coalition partners the Liberal Democrats, refused demands for a referendum—on the Lisbon treaty, I think—because they felt that it was avoiding the real question, which was: “Should we stay in or leave the European Union?” But, strangely enough, when they had the opportunity to support having a referendum on staying in or leaving the EU, they opted to oppose it. It is that sort of cynicism, frankly, that makes it necessary for my hon. Friend to persist with his Bill, although, fortunately, the people who reneged on their pledge to have an in/out referendum are no longer in a position to hold the Government to ransom.

It was indeed the work of many hon. Members on both sides of the House, but not least that of my hon. Friend the Member for Aldershot, that ensured that the Government finally gave the 2% pledge. It would be unsuitable for me at this stage to go in any detail into the question of the extent to which creative accountancy may be involved in fulfilling that pledge, because one of the first two inquiries of the new Defence Select Committee is to examine that very issue.

Sir Edward Leigh: Apparently, the Secretary of State for International Development says that landing on 0.7% is like landing a helicopter on a moving handkerchief. The Ministry of Defence is an infinitely more complex Department, so are we not in danger of giving too much power to accountants in the MOD to try to land this helicopter on a moving aircraft carrier, creating chaos in the procurement process?

Dr Lewis: No, frankly, I do not think we are. That comes back to the fact that this is not a target that we have to hit precisely. This is a minimum—in my opinion and from my point of view, an inadequate minimum. It is much easier to land the helicopter on a deck when the deck is quite an enormous one: all we have to worry about is putting the helicopter down on some part of that enormous deck. We do not have to worry about which part of the deck we manage to alight upon. Therefore, should we end up spending, for example, 2.5%, 2.8% or 3%, we shall still have fulfilled the purposes of my hon. Friend’s Bill. At this point, it may be convenient to reflect on what the size of the deck of that carrier has been in decades gone by. Then, perhaps, we shall see that we should not be struggling to get on to the deck; on the contrary, we should be asking ourselves why we are engaged in achieving such a very modest aim.

Between 1955 and 1960, the percentage of GDP that we spent on defence varied from 7.2% to 5.9%. Between 1960 and 1969, it varied from 6.1% to 5%. From 1969 all the way until 1980, it varied from a high of 4.8% in 1975-76 to 4.2%. As recently as 1980-85, it varied from 5.1% to 4.7%, and in 1985-90, it varied from 4.6% to 3.9%. Even after the end of the cold war, in the period between 1990 and 1995, it varied from 4.1% to 3.2%. Not until the financial year 1994-95 did the figure dip below 3%. I would argue—and this was foreshadowed by my hon. Friend in his excellent speech—that a country with our level of commitments and responsibilities certainly ought to be thinking about spending 3% of GDP on defence.

The situation in terms of the threats that we face has become increasingly fraught. I, for one, was very surprised that only a year after the 2010 strategic defence and security review made what I think was an 8% cut in the defence budget, we were already keen to engage in an additional conflict in Libya, the wisdom of which has subsequently—and, in my view, rightly—been questioned. But whichever side we take in that particular argument, it follows that if we are in the business of still wishing to intervene, we must certainly be in the business of making the appropriate financial investment.

During one of the public hearings that we have held so far, it was pointed out that it is not enough simply to look at the amount of defence investment that we make, because it is possible to spend a lot of money on the wrong things and still end up with inadequately structured armed forces. If I may dip into history, I suspect that

[Dr Julian Lewis]

the Maginot line occupied a rather large chunk of the French military expenditure budget in the period leading up to the second world war. It was not a very good investment.

It is, of course, difficult to quantify outcomes when it comes to the appropriateness of the way in which money has been spent, but even if spending a lot of money on defence is not a sufficient condition for the achievement of good defence outcomes, it is certainly a necessary condition. Earlier, I described in detail what happened to the defence budget when it was in decline. Over the same period, our welfare budget ballooned, our education budget ballooned, and our health budget ballooned as percentages of GDP. I am not criticising that in any way, but it is rather extraordinary that that pattern of steep decline in spending on defence as a national priority has been allowed to occur, given the extent to which we have remained engaged in the carrying out of military activity from time to time on the world stage.

Embodying the proposal for 2% in law is a worthwhile endeavour because it will send a signal that any Government who wish to renege on the commitment will have to unpick the legislation in order to do so. It is unsatisfactory that we as a country cannot feel comfortable that defence occupies a sufficient role in our league table of commitments to spend from the public purse. As I said in an intervention, however, the endeavour of my hon. Friend the Member for Aldershot to ensure that the commitment is enshrined in law carries with it the risk that what should be a minimum will become a target. It is true to say that, from time to time, some of us on these Benches who take a particular interest in defence have been less than totally helpful towards those on the Front Bench when we have felt that their commitment to defence had fallen short of what it should be.

Around the time of the Wales summit, the Prime Minister made a statement about the importance of urging our NATO allies to meet the 2% minimum, and I decided to seize the opportunity to show my full support for those on my Front Bench by asking him an easy question. I got to my feet and the Prime Minister gave way graciously, as he always does. I asked him whether he would like to give the House an assurance that, as long as he remained Prime Minister, there would be no question of this country dipping below the 2% minimum. Rather to my discomobulation—[HON. MEMBERS: "Sorry?"] I thought that would attract a bit of attention. Rather to my discomobulation, I was told that, although the commitment was being met that week and that year and was going to be met the following year, after that we would just have to wait and see. That prompted concern among a number of us that the commitment to the NATO minimum was in jeopardy.

I well remember how, during the long years of opposition, we used to excoriate the Labour Government for playing fast and loose with the figures relating to the GDP spend on defence. In particular, I remember one statement that Tony Blair made, I think in 2007 when he was coming to the end of his 10-year period in office as Prime Minister. He made a speech on HMS Albion, in which he said that, taking defence expenditure as a whole over the preceding 10 years of the Labour Government, it had remained roughly constant at about

2.5% of GDP if the costs of Iraq and Afghanistan were included. As a Member of the shadow Defence team, I was quick to point out that the costs of Iraq and Afghanistan were supposed to be met from the Treasury reserve funds, and that if they were stripped out of the picture, Labour was actually spending more like 2.1%, which was inadequate. I continued to make that point in speeches in the House over quite a long period—some would say an excessively long period.

What worries me about the debate on defence expenditure generally is that we are being subjected to the management of expectations. There should never have been the slightest doubt that this country would continue to meet the NATO minimum. We had always done so, and we never even had to think about doing it because we had always surpassed that level quite comfortably. It is a measure of the situation in which we find ourselves today that, as I said in earlier interventions, we are apparently supposed to be ringing the church bells in triumph that we are not going to dip below the NATO minimum.

Because of this undercutting of belief in what politicians do, compared with the commitments that they give, I think it is important that this Bill should go through. I therefore propose to set a good example to other right hon. and hon. Friends by keeping my remarks brief, because I would not like us to find that we were running out of time for the Bill to make the necessary progress that it needs to today. Not that I would ever think for one moment that the Government Whips Office would encourage people to expatiate excessively on this important subject, but just in case they might be tempted to do so, I wish to make that task as difficult as possible and will therefore conclude my contribution to the debate.

Mr Deputy Speaker (Mr Lindsay Hoyle): I call Bob Stewart.

10.35 am

Bob Stewart (Beckenham) (Con): Thank you, Mr Deputy Speaker. I am rather shocked, but delighted, to be called so early.

Twenty-five years ago, the 14 European NATO members spent \$314 billion annually on defence; this year, European NATO members spent \$227 billion on defence. Those figures, taken from the global think-tank Carnegie Europe, show that there has been a 28% reduction in real defence spending by European NATO members since 1990. Yet since 1990, European membership of NATO has almost doubled, from 14 members to 26 partners, so in truth the reduction in collective defence finances in Europe has been much starker.

Since 2008, the UK has reduced its defence spending by over 9%. We are not alone: Germany has reduced her defence spending over the same period by over 4% and Italy by a whopping 21%. That reduction has made the contribution made to NATO by the United States even more cock-eyed than it was before. From 1995 to 1999, European NATO allies spent about 2% of GNP on defence, but now that average is down to 1.5%. That was at a time when US defence spending had increased from about 3.1% to 3.4% today. In 1995, US defence spending made up 59% of the NATO budget, and today it is expected to be over 70%. Since the formation of NATO in 1949, the United States has always dominated NATO spending, and European members of the alliance have never really paid their fair share of its costs.

Although the United States spends 3.4% of its GNP on defence, we Europeans prefer to use our money for softer priorities. Europeans effectively put far more of their resources into social rather than military security. There are 0.9 billion people living in all NATO countries and just over 300 million of them are US citizens. Yet each American pays \$1,900 a year for his or her defence, while no other NATO member, including ourselves, comes anywhere near that. Let me give the House some examples from the figures I have got—mainly from the Stockholm International Peace Research Institute—of how much some of the newer members of the north Atlantic alliance are contributing to their collective defence as new NATO members. I will do so based on what each person in their population might be expected to contribute. Each Albanian contributes \$42 a year. A Bulgarian gives \$116 a year. Croats provide \$204 and Czechs pay \$189. Estonians supply more—\$392. Hungarians also devote \$392 and Latvians \$150. Romanians pay \$118, Slovaks \$180 and Slovenians \$233 for their defence. Joining NATO was clearly a cheap way to buy military security for many European countries, many of which are deeply worried about Russian intentions close to their borders, although they hardly show that by way of their defence budgets.

Mrs Gillan: Will my hon. and gallant Friend give way?

Bob Stewart: With delight.

Mrs Gillan: It is worth noting that, despite the smaller amounts paid by the newer members of NATO that my hon. and gallant Friend has laid out for us, in the wake of Russian aggression, the biggest increases are coming from the Latvians, Lithuanians, Poles and even the Estonians, because their minds are now concentrated on the immediate threat on their borders.

Bob Stewart: I understand and accept that, and in a way that is good. Some good things are coming out of it.

As my right hon. Friend has just demonstrated, many countries are clearly deeply worried about Russian intentions close to their borders. No wonder NATO membership is so attractive now. It is a great deal. For those countries, the NATO guarantee is cheap security and insurance. Far too many of the new members of NATO have simply got to pay more. Only Estonia, France, Greece, Poland, Turkey and the UK will come near the NATO minimum target of 2% in 2015. Some NATO members will spend far less than that. According to the IMF, some—such as Albania, Belgium, Canada, the Czech Republic, Hungary, Iceland, Lithuania, Luxembourg, Slovenia, Slovakia and Spain—spent 1% or less of their GNP on defence last year.

I am sorry for spending so much of my speech on statistics, but I hope that I have made the point about the huge importance of NATO's minimum target of 2%. Achieving it and keeping above it shows commitment, and is also a symbolic gesture of genuine support for the alliance.

Kevin Foster: Does my hon. and gallant Friend agree that the 2% is like an insurance policy? Countries get the protection of article 5 mutual defence, but it is the premium that they need to pay in exchange.

Bob Stewart: I agree. It should be a minimum of 2%, and I and other hon. Members here today would like to see it at 3%. So would the Minister, but we are constrained by the financial responsibility we bear as a Government.

Sir Edward Leigh: We heard from the Bill's promoter that international aid spending has gone up from £8 billion to £30 billion. Is not that exactly the same amount that we are cutting tax credits by?

Bob Stewart: I have no idea; it may well be.

Antoinette Sandbach (Eddisbury) (Con): I do not know whether my hon. and gallant Friend had the same experience as I did during the election in May, but many of my constituents expressed to me their concern about defence spending and the fact that the 0.7% had been enshrined in law. They wanted the 2% to be enshrined in law too, because they wanted to see that commitment.

Bob Stewart: I thank my hon. Friend for that point. I know exactly why her constituents said that: among them are valued members of the Cheshire Regiment, who live around her constituency. Cheshire has always been dead on for defence.

Why should each American citizen forfeit his or her right to spend so much more on social programmes, as Europeans do? That is unfair. We are now committed to spending 0.7% of gross national income on overseas aid—well over one third of the defence budget. I have heard rumours—admittedly, they may well be fallacious—that in late March, British officials were running around places such as Geneva throwing money at aid organisations to reach that target.

Sir Edward Leigh: They were!

Bob Stewart: In which case I take back the word "fallacious"; I trust everything that my hon. Friend says.

It was our Prime Minister who convinced fellow NATO members to commit to a target of 2% of GNP at last year's NATO summit. He was absolutely right. We have now committed ourselves to keeping to that figure, at least for the immediate future. Personally, particularly in the current very dangerous international climate, I would prefer us to spend far more than that on defence. Everyone in this House knows our first and primary duty as Members of Parliament: the defence of our country.

John Glen: I want to focus on the principle of setting targets. It seems to me that if we pass this Bill, we have to consider where that stops. The Government have also made commitments on the NHS and education budgets. Would my hon. Friend be inclined to support minimum percentages of expenditure in other Departments? This seems a dangerous road to go down. We should be free to make the case that he has just made: to spend whatever is necessary to meet the challenges that we face in the world.

Bob Stewart: I thank my very hon. Friend for that point. My view is that there should be no ring-fencing whatever: Governments should govern and decide what is right. What is right for defence is probably more than

[*Bob Stewart*]

we are paying at the moment. The fact is that we have ring-fenced other Departments and international aid, but we have not ring-fenced the first duty of government. That is why the 2% minimum target is so important.

That is a good way to end, actually. I will shut up and sit down.

10.48 am

Andrew Rosindell (Romford) (Con): Thank you for calling me to speak in this excellent debate, Mr Deputy Speaker. I commend my hon. Friend the Member for Aldershot (Sir Gerald Howarth) for the powerful case he made for ensuring that we have an adequate defence budget for our country. The Bill is vital. I also commend my hon. Friend for his lifelong dedication to supporting Her Majesty's armed forces and to the defence of Queen and country; there is no greater champion of the defence of the realm than my hon. Friend.

I hope that hon. Members will agree with me that, as my hon. and gallant Friend the Member for Beckenham (Bob Stewart) has just said, the first priority of Her Majesty's Government, regardless of their political persuasion, is the defence of the realm and the protection of British people from threat, both internal and external. Protecting Britons from harm, defending our democratic way of life and upholding our freedom must surely be our first duty in this place. That is why our membership of NATO has been so vital and must be protected.

To maintain a 2% minimum spending target is a wise allocation of public funds and a necessary investment in the defence of our nation. We can ring-fence other budgets, but surely the defence of the realm should be uppermost in our priorities. Securing our freedom is worth every £1 we spend. In my view, defence should certainly take precedence over our commitments on international aid.

The Bill will enable the Government of the day to carry out their solemn duties to this country in the confidence that those who wish to subvert our way of life will not succeed. Some would argue that, in the post-cold war era, such investment in our national defence is no longer necessary, but if the actions of Vladimir Putin in Ukraine and Syria have taught us anything it is that we can no longer take for granted the notion that the cold war is well and truly behind us. Our nation faces powerful enemies—nations, and terrorist organisations and cells—just as we did in the 1980s. They pose significant threats to our national interests and security. Even if we accept the highly dubious argument that we live in a post-cold war world, we must conclude only that the new era makes continuing to invest adequately in our armed forces more imperative than ever.

Mrs Gillan: Does my hon. Friend agree that NATO has had to adapt, and that we are looking for NATO responses to be more mobile and agile? It also needs to respond on shorter timelines, particularly in countering irregular operations and other new forms of threat, some of which were well laid out in the TalkTalk cyber-attack earlier this week.

Andrew Rosindell: My right hon. Friend makes an excellent point. The truth is that we live in a very different world from the one of the 1980s. We have to adapt to modern-day threats, including people who use

technology against the interests of our country and our NATO allies. Therefore, we cannot take it for granted that defence spending should be on a downward slide. We must think about the importance of dealing with today's threats. My right hon. Friend makes that point eloquently.

The enemies we face today no longer occupy clear territory or fight conventionally, as my right hon. Friend stated. Today's threats come from groups such as al-Qaeda and ISIL. They have no clear borders and fight unconventional wars. In many respects, they pose a greater challenge to our armed forces and national defence.

As my right hon. Friend the Member for New Forest East (Dr Lewis)—my good friend—has made clear, defence spending as a proportion of GDP has declined. NATO figures suggest that, for 2015-16, the Government will spend 2.1% of GDP on defence. However, that figure includes previously excluded expenditure such as war pensions and other items, as many hon. Members have said. My hon. Friend the Member for Aldershot referred to the Royal United Service Institute, which says that, without those added expenditures, defence spending will be 1.97% of GDP. I am sorry to say to the Minister that, under the old measurement, the Government will this year fail to meet their 2% spending commitment. Perhaps he will clarify that. It is imperative that my hon. Friend's Bill becomes the law of this country so that the Government, of whichever political party, will be duty bound to honour the commitment and make the necessary investment to the defence of our United Kingdom.

Continuous decades of cuts to our defence budget have caused despair among many leading members of our defence staff. In 2012, General Sir Michael Jackson warned that, if Argentina were to launch another invasion of the British overseas territory of the Falklands Islands, retaking them would be "impossible"—I know that you, Mr Deputy Speaker, are very passionate about the defence of the Falkland Islands. In stating that, General Sir Michael Jackson pointed out that he feared that we could not adequately defend British citizens in our overseas territories. At that time, defence spending was, at 2.2%, higher than it is today.

The need for a much stronger Royal Navy presence in the British sovereign waters around Gibraltar is now paramount. More resources are needed to counter the illegal and aggressive incursions by Spanish vessels, which are shamefully supported and excused by the Spanish Government. Those extra resources should be combined with a more robust approach to the defence of Gibraltar from the Government, which is long overdue.

It seems perverse to me that, at a time when we ask our armed forces to undertake ever more demanding work in far-flung regions of the world, we have been so short-sighted in reducing the resources they desperately need. As hon. Members know, in the last Parliament, a Bill was passed that requires the Government to spend 0.7% of GDP on overseas aid. Failing to pass a similar Bill—it applies the same principle—that legally commits the Government to spend 2% of GDP on defence would send a very negative message to the servicemen and women who put their lives on the line for our wellbeing every single day of their lives.

Kevin Foster: My hon. Friend is making a great speech outlining the existing threats to this country. We regularly talk about a nuclear deterrent, but does he

agree that NATO must also provide a conventional deterrent and keep a minimum capability that can be expanded in a crisis if necessary to deter an attack by another industrialised nation on one of its members?

Andrew Rosindell: I am delighted to see my new hon. Friend in the House. He makes an excellent point with which I agree entirely. We must ensure that the nuclear deterrent is maintained, but we must also not neglect our conventional forces, which are perhaps more relevant now than they were a few years ago. His point is absolutely spot on.

If the Bill fails, the message would be that Britain is not willing to commit to those who serve us so selflessly, and that defence is no longer the priority it might once have been. I hope the Minister assures the House that that is simply not the case.

The Bill gives us, the elected representatives of the people of the United Kingdom, a chance to enshrine in law a commitment that would prevent this or any future British Government from performing the kind of U-turns and policy failures that could jeopardise their ability to carry out their first and foremost duty, namely the defence of the realm, which includes Her Majesty's overseas territories and Crown dependencies. The Bill, which was so ably presented by my hon. Friend the Member for Aldershot, will guarantee the ability of Her Majesty's Government to carry out their fundamental duty to invest adequately in Britain's defences, maintain the freedom of the people of these islands and protect our cherished British way of life.

10.59 pm

Antoinette Sandbach (Eddisbury) (Con): I am grateful to have been called to speak in the debate, Mr Deputy Speaker, because, as my hon. and gallant Friend the Member for Beckenham (Bob Stewart) pointed out, my constituency, through its link with the Cheshire Regiment, has a proud history of service in the armed forces, and not just in the Army. The key point of importance for my constituents is not only the defence of the realm but the role of the armed forces in upholding the rights of others. That is particularly important in my family, as my mother was liberated, along with her family, by British regiments during the occupation of the Netherlands by the Nazis. Many others in this House and in wider society understand the huge debt of gratitude we owe to those servicemen and women who put their lives on the line for others.

Bob Stewart: Would it not be absolutely wonderful for my Cheshire friend if the soldiers who liberated her family were from the Cheshire Regiment, which drove through Holland in 1944-45, given that she now represents them?

Antoinette Sandbach: I wholeheartedly agree with my hon. and gallant Friend. My constituents are hugely proud of that.

The role that the British Army and our forces play is key not only in protecting the realm but overseas. My hon. Friend the Member for Romford (Andrew Rosindell) refers to the diverse threats we now face and it is clear that those threats are varied and appear suddenly out of the blue in places where they were not anticipated. We have seen, for example, the rise of Daesh and the threat that that poses to our country.

I know that the Minister appreciates that investment in defence leads to skills that come back into our civilian community, particularly in vital areas such as engineering, communication and cyber-skills. That investment represents an investment elsewhere in our economy and gives a return to us as a country. I urge the Government to support the Bill, as that investment in our country's future is key. It is not just about the defence of the realm but about the economic benefits that can be gained from the huge skills that that investment provides to the British economy.

My constituents raise the question of the 2% commitment with me regularly, and they do so because they have seen the 0.7% commitment. I agree that we need to support countries that need our assistance, but they do not understand why that commitment can be made to international aid but not to defence.

Kevin Foster: My hon. Friend is making an excellent speech and a powerful point about the economic benefit of the skills people acquire in the military. Does she agree that it is even more pressing when we consider the potential expansion of civil nuclear power, given that virtually every senior nuclear engineer in this country has been trained by our nuclear Navy?

Antoinette Sandbach: I wholly agree. In the context of the north-west and Wales, the new Wylfa B power station is planned and those nuclear skills will be key in securing the energy future of our country. My constituents specifically asked me to be present for this debate and to make the point that they urge the Government to stick to the minimum commitment of 2% to be spent on defence and to consider increasing the budget. For them and their families, the security and defence of the realm is hugely important. They understand and appreciate that that investment in defence leads to broader economic benefits. I am grateful to my hon. Friend the Member for Aldershot (Sir Gerald Howarth) for introducing this Bill so I can support it today.

11.4 pm

Mr Henry Bellingham (North West Norfolk) (Con): It is a great pleasure to follow my hon. Friend the Member for Eddisbury (Antoinette Sandbach), who made a very good speech.

I congratulate my hon. Friend the Member for Aldershot (Sir Gerald Howarth) on his Bill and on the way he introduced it. He is one of the most knowledgeable people in this House, and probably in the country, and his expertise and judgment on the issue deserve to be recognised and respected. He gave us a superb tour d'horizon of the world today. We live in an ever more troubled and dangerous world and I agree with what he said about Russia and China. We also should not forget those rogue states in the world—those potential rogue nuclear states—that could put our security at risk. I agree with him when he says that all the previous norms and assumptions have been torn up, and the Chairman of the Select Committee on Defence, my right hon. Friend the Member for New Forest East (Dr Lewis), made that very same point.

Never before in the 30 years since the end of the cold war has our nation's security been more important. Many of us had a rosy vision of what the world might have looked like in this part of the 21st century, but how wrong we were. I welcome the Government's response

[*Mr Henry Bellingham*]

to this new troubled world security environment. I am grateful for their commitment to spend more on defence and to spend at least 2%.

I have always been a glass half full person, and there are some good programmes coming on stream in the near future—the carriers, the Dauntless class destroyers, which are incredibly formidable vessels, the joint strike fighter, which has relevance to west Norfolk and RAF Marham, and the numerous upgrades that are taking place. As my hon. Friend the Member for Aldershot pointed out, there are still some significant gaps in our defence capabilities, not least our maritime reconnaissance capability, the carriers are obviously not yet operational and there is a carrier gap with the Harriers having been mothballed and sold.

I mentioned RAF Marham, which is the proud home of the Tornado force. That aircraft has been the workhorse of the RAF over many years and, as we speak, is playing a vital part in the campaign against ISIS and deploying its state-of-the-art reconnaissance system, RAPTOR. It is also the only platform that can deploy the Brimstone precision bomb system. It is very valuable in that theatre.

I pay tribute to the airmen and Air Force women, their families, the other personnel and the civil servants stationed at RAF Marham. They serve this country with huge competence and we should be very proud of them. The base also has a great impact on west Norfolk and is a vital and integral part of our local community. Only those colleagues with an airbase or a barracks in or near their constituency will understand how the armed forces always want to be involved, and play a part, in the community, the wider family and civic life.

Sir Gerald Howarth: I hugely appreciate my hon. Friend's support for the Bill. May I draw his attention to the fact that one of the squadrons based at RAF Marham is 31 Squadron—the “Goldstars”—with which my father served during the second world war?

Mr Bellingham: That is an incredibly important connection, too, and I am grateful to my hon. Friend for mentioning it. I am also grateful that he mentioned the reprieve given to the third squadron at RAF Marham, because that is crucial to the squadrons rotation through RAF Akrotiri. Had we gone down to two squadrons, the rotation would have been at least six months and perhaps nine months, which, with unaccompanied tours, would have put immense pressure on the families. Keeping the third squadron enables a three-month rotation.

I am very pleased that the joint strike fighter, the Lightning II, will be coming to RAF Marham in 2018. We are looking forward to this superb aircraft coming to west Norfolk.

I mentioned RAF Akrotiri—I shall not digress too much—and yesterday's news of refugees arriving on its shores is extremely worrying. I understand that 17 refugees arrived there 15 years ago and their status is still uncertain. If this is opened up as a new route into Europe, it will be incredibly dangerous and I very much hope the Government will take firm action. We have the two sovereign base areas and it is essential that extra personnel and capability are put in place properly to guard the coastline and stop these very unfortunate people landing there. Does that

not reinforce the Prime Minister's decision to take refugees direct from the camps in the region, rather than encouraging people to make such a perilous journey across the Mediterranean?

Bob Stewart: I was in Cyprus at Dhekelia and at Akrotiri a few months ago. The 17 refugees to whom my hon. Friend refers are in Dhekelia, the eastern sovereign base area, and they have been there as long as he says.

Mr Bellingham: I am grateful to my hon. and gallant Friend for that clarification. The idea that there is any quick solution to sorting out the status of such people when they arrive there, granting them asylum or perhaps relocating them is wishful thinking. It takes a very long time indeed under our current processes.

Let us look back roughly one year to Michael Moore's Bill that set a target of 0.7% for international development. I said at the time that I was appalled by the Bill because we were already spending the 0.7% and I could see no reason for encapsulating it in our law. I could see no logic in doing that, based to some extent on my own experiences of overseas aid. I had the chance to see the good, the very good, the bad, the ugly and the downright bad in Africa, the Caribbean and elsewhere. There is no question but that in some parts of the developing world our aid programmes are making a profound difference on the ground. They are helping with sustainability and development, they are helping small businesses expand and they are making a big impact on the growth of those countries. British humanitarian aid is saving lives in different parts of the world.

Staff from DFID, the related agencies and the NGOs with which they are working in partnership are doing a superb job in many countries. I had the chance to see that all over Africa—in places such as Kisangani in the Democratic Republic of Congo, where I saw a clean water and road building programme, in Juba, the capital of the newest country in Africa, and in the refugee camps in northern Kenya. That is the good, but there are also examples where aid is not being well spent. I lost count of the number of heads of DFID I saw on my travels round Africa who told me that they would struggle to get good-quality aid out of the door. We were looking for programmes and partners in many of those countries, and I was warned on a number of occasions that there were aid programmes that would not deliver and on which mistakes would be made and things would go badly wrong. I can think of at least four examples in Africa where there had been outright scandals involving British aid.

To be fair to DFID, it is taking action, but there is growing evidence that we must try to move from aid relationships with those countries to trade. Many of those countries will move to middle-income status during our political lives, and as they do so it is extremely important that we reduce the aid and move to a trade relationship. My argument at the time was that the 0.7% was not necessary, it was an ill-thought-out move, and the only reason we did it was because we made a pledge in the election campaign. That is an honourable reason for doing something, but it is the wrong reason for doing it because in many cases the 0.7% will be redundant. Furthermore, as our economy expands, that aid budget will go not just from £8 billion to £13 billion, as it has

done over the past five years, but it could well be up to £20 billion-plus by the end of this Parliament if our economy grows.

You are looking at me, Mr Deputy Speaker, so I shall conclude by saying that we have a moral obligation to help the poorest in the world. I feel that very strongly. We have a moral obligation to help those who are less in need. We have a moral obligation also to educate our children and young people in this country—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I was hoping the hon. Gentleman was going to come back to defence. I thought there was an analogy coming, but my worry is that he is going to continue doing the same thing.

Mr Bellingham: Indeed, Mr Deputy Speaker.

We have those moral obligations to house our people, to educate them and to make sure they have good health, but if we did not provide that as a Government, in many cases the private sector would step in. However, the private sector will never step in to defend this country. We have a duty to defend our country, and that is why, of all the Departments that should be ring-fenced, Defence is the one. There is no logic whatever in ring-fencing and encapsulating in law the 0.7% unless we do the same for defence. That is why I support the Bill wholeheartedly. If we do not get it through, that will send a very bad signal not just to all those constituents of my hon. Friend the Member for Eddisbury (Antoinette Sandbach), but to our partners in NATO, our friends in America and many countries around the world that are looking to Britain to set an example in this crucial area.

11.16 am

Sir Edward Leigh (Gainsborough) (Con): My hon. Friend the Member for North West Norfolk (Mr Bellingham) was making a local point, and I start by making a local point. Last week I was at RAF Scampton in my constituency and I was tremendously honoured to be asked to present the long service awards signed by my right hon. Friend the Secretary of State for Defence. There was his signature, on the award to those people who had given a lifetime of service—20 or 30 years—to the RAF. RAF Scampton is the home of the Dambusters, an historic RAF base.

I make that point because we should see defence not just in terms of numbers but in terms of its contribution to our society, and the contribution that the other RAF bases, Coningsby and Waddington, make to life in Lincolnshire. They are an integral part of Lincolnshire, and I very much hope that now that the air show is apparently moving from RAF Waddington, it can come to Scampton, and perhaps the battle of Britain memorial flight can come there.

It is important to emphasise that all over the country the armed forces are not just defending us from some threat that we cannot yet evaluate; they are here in our midst, contributing to the economy, the community and in many other ways.

Fiona Bruce (Congleton) (Con): Is not one of the contributions that the armed forces are making their investment in the lives of the young people in our cadet forces?

Sir Edward Leigh: Absolutely. My youngest son has just left the air cadets after serving for five years. He adored it. In the heritage museum in RAF Scampton, there is Guy Gibson's office and all that wonderful stuff and a room devoted to the air cadets, because this is taken extraordinarily seriously by the RAF and the other armed services. By the way, what an honour it was for me when I was visiting RAF Scampton a week or two ago that another visitor there was a veteran of the raid on the Tirpitz. Is that not extraordinary—this old man in a wheelchair who, all those years ago, had taken such appalling risks on behalf of our country?

Sir Gerald Howarth: My hon. Friend mentioned one of my great heroes, Wing Commander Guy Gibson, VC, Distinguished Flying Cross and Bar, Distinguished Service Order and Bar—an amazing man. He made the point in a book he wrote, "Enemy Coast Ahead", that it was down not just to the pilots of the Royal Air Force, but to all the others who contributed—the maintenance crews, the Women's Auxiliary Air Force and all the rest of it. It was also down to technology. We had an edge because we had invested in radar and other forms of technology. Is there not a lesson from Guy Gibson to us today that if we do not invest heavily in technology in the future, we will not have the battle-winning technology we need to defeat any future enemy?

Sir Edward Leigh: Absolutely. We survived by the skin of our teeth in 1940. Incidentally, it is sometimes forgotten that when Guy Gibson was killed in his Mosquito over Holland in 1944 serving his country, he was already an adopted Conservative candidate for this place. What a wonderful MP he would have been, and what a loss he was to our nation with his untimely death.

Let me move on to the future, and this Bill, which I warmly support. In his magisterial opening, my hon. Friend the Member for Aldershot (Sir Gerald Howarth) really delved down into the detail, which is desperately important. Like many hon. Friends, I am deeply concerned about the increasing tendency to ring-fence Government Departments. As a former Chairman of the Public Accounts Committee, I believe that that is a bad way of running Government. Government—it does not matter whether it is health, education, international aid or defence—should be run by working out what you want to do, what you have to do, and what you can afford, and then having a negotiation with the Treasury on that basis.

We now have an extraordinary situation where the entire budget of the Foreign Office, which we must remember is absolutely critical to this country in terms of promoting trade and good relations, is now only twice that of our aid programme to Ethiopia. That is not a sensible way of running Government. It gives rise to all sorts of other stresses. Of course, I am as committed as anybody in this House to international aid. I have two daughters working in that sector. We all know the wonderful work that DFID is doing. However, it does not make sense to have an accounting procedure that results in DFID chasing after international aid agencies in Geneva at the end of the accounting year just to meet its 0.7% target. The International Development Secretary has said that trying to sort out her budget is like landing a helicopter on a moving handkerchief. When I put that analogy to my right hon. Friend the Member for New

[*Sir Edward Leigh*]

Forest East (Dr Lewis), he said, “Well, of course we just have to ensure that the aircraft carrier on which the helicopter lands is big enough.”

If we see the commitment to hit 2% as an accounting device, we are in a disastrous situation. In the PAC, we found time and again that there were fantastically complex and difficult cost and time overruns in MOD procurement programmes. I fear that in a desperate bid to meet its 2% target, using all the accounting mechanisms that my right hon. Friend mentioned, we could be skewing the whole procurement process in a very dangerous way. I take his point, and that of my hon. Friend the Member for Aldershot (Sir Gerald Howarth), that we must therefore see 2% as an “at least” target. That is in the Bill, and that is why I support it.

The Minister for Defence Procurement (Mr Philip Dunne): I am most grateful to my hon. Friend for giving the House the benefit of his experience as a former Chairman of the PAC. I was pleased to serve on his Committee for two years. He mentions defence procurement. Yesterday we published the fourth iteration of the annual equipment plan, in which we demonstrated, for the second year in succession, an improvement in the delivery of major projects on time and to budget. I hope he will have the opportunity to read that report and recognise the good progress that we have made over the past few years.

Sir Edward Leigh: I am grateful to the Minister. We have learned lessons from previous procurement programmes, and we are building in time overruns, which is a sensible thing to do so that the MOD is not embarrassed. We all pay tribute to my hon. Friend, who is doing sterling work in this area. Nobody doubts his commitment to what he is trying to achieve. I was not making any criticism of the work that he is doing or that the Government are doing. I am merely saying that in the long term, just as we have stresses and strains in the international development budget, we might get similar stresses and strains in the MOD budget, which is infinitely more complex. Perhaps we could bear that in mind.

Let me paint the picture, as my hon. Friend the Member for Beckenham (Bob Stewart) has done, of what is happening in Europe as a whole. We all know that for too long we have ridden on the coat tails of America. Since the 1990s and the end of the cold war, I am afraid that we have witnessed a radical downturn in the US military commitment on the European continent. That means that in order to make up the capability shortfall, European states must step up, but they are not stepping up; and that they must invest more, but they are not. By the way, it is extraordinary what is happening to the German defence budget. It is unbelievable how small its land army now is, for a great continental power. What is happening in the German military programme is very worrying. How extraordinary that a Conservative Member of Parliament should be saying that, given our history, but it is worrying.

NATO member states’ failure to meet the 2% minimum target exposes Europe to risks both known and unknown. Jan Techau of the Carnegie International Endowment for Peace has warned:

“Since the end of the Cold War in 1990, overall defense spending among NATO members has been cut so significantly

and so persistently that serious concerns have arisen about the alliance’s military readiness and its ability to keep credible its security guarantee to its member states.”

Yet, as we have heard, only a handful of countries are meeting the target. I asked my right hon. Friend the Member for New Forest East, who is an expert in these matters, who dreamed up the 2% target, and he thought it might have been George Robertson. Perhaps we can investigate that and the Minister will deal with it later. The target has proved very useful. It might be unscientific, but at least it is doing a good service in holding our feet to the fire, and those of other countries, and showing up exactly what is happening.

NATO’s experts estimate that four European countries have met the target: Greece, with 2.4%; Poland, with 2.2%; the United Kingdom—some have argued about this—with 2.1%; and Estonia, with a level 2%. We might be surprised that Greece, in the midst of economic turmoil, has the highest defence spending as a percentage of GDP, but the recent refugee crisis should help to remind us that it has a massive maritime patrol area as its responsibility. We have talked a lot about defence, but we have not mentioned migrants. There is a real role for NATO, and for our armed forces, including the Royal Navy, in dealing with migrants.

Kevin Foster: My hon. Friend is making an excellent speech. He touches on the role of NATO and defence forces in relation to the migrant crisis. Does he agree that one of the important things about having the minimum floor in defence spending is having that capability, because of the flexibility it provides? As the First Sea Lord has said, the Royal Navy can go anywhere, without permission, on the global commons and provide options and capability for this nation.

Sir Edward Leigh: I am grateful for that intervention. At RAF Scampton I was told that the RAF is stretched to the limit, and so is the Royal Navy. There is a lot of focus on reductions in the Army, and my hon. Friend the Member for Beckenham would like us to focus on that, but the real stresses are in the RAF and the Royal Navy.

Greece has been reticent in cutting personnel and finds it worthwhile, strangely enough, to maintain twice as many tanks as we do. Poland, meanwhile, is a front-line state that feels very keenly Russia’s increased assertiveness. It is replacing a great deal of outdated Warsaw pact equipment, and Estonia is doing likewise.

The United States is top of the NATO list, of course, with 3.6% of GDP committed to defence in 2015. Recent history attests that the US is in a period of hyperactive commitments all over the globe. It is no surprise, then, that despite the withdrawal from Europe, US defence spending as a percentage of GDP and in real terms is still high, especially in relation to other NATO states. There is no denying that the US is still the keystone of NATO, but there is a danger—we should not forget the lessons of history—of overestimating its willingness and capability to respond in common to a defence threat in Europe if it is engaged in large-scale operations elsewhere in the world.

President Obama’s pivot—that is their word, so I use it advisedly—towards Asia is indicative of an American trend away from valuing the European continent as a place where defence attention is required and where

attention should be focused. Events may force that evaluation to change rapidly, but NATO member states in Europe will need have the capability to handle conflict while awaiting the arrival of greater American participation.

We need to remember that fundamental lesson of history—the lesson of Suez. Although the US is mandated to come to the aid of NATO member states that are victims of external aggression, we may find ourselves in much more complex situations in which NATO member states are active in a conflict without the support of the United States. Indeed, we were active in a recent conflict in Libya without the active support of the United States on the ground.

The simple truth, of course, is that we do not know what the future holds. Imagine what the reaction would have been if we had told people in 1985 that in 20 years' time Russia would have a thriving if unequal capitalist economy and that Russians would own most of the most expensive London properties, premier league football teams and even daily newspapers. They would have said that my hon. Friend the Member for Aldershot and I were fantasists if we had argued that Russia would be in the position she is in today. More recently, the events of the Arab spring have challenged many of our assumptions about the middle east and north Africa while confirming others. It is incumbent on us, therefore, not only to uphold the 2% commitment but to set it as a minimum, not a target.

I recommend that Members read the recent Civitas report on defence acquisition, behind which my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) was a driving force. It states:

“The painful truth is that, on two per cent of GDP, we cannot maintain the kind of robust defence structure we did in the past, where we were able to organise and equip our armed forces; to match all potential competitors and to undertake all likely contingencies simultaneously; to support all our foreign policy objectives through influence and deterrence; and to cope with all the non-combat tasks they might be called upon to perform.”

That sums up the situation very well, and the report focuses on our actually meeting the 2% commitment.

The Bill promoted by my hon. Friend the Member for Aldershot is admirable in its simplicity. In fewer than 700 words, it lays out clear commitments, as well as simple oversight structures, to ensure that this country maintains, at the very least, its NATO target of 2% of GDP spending on defence.

The Chancellor of the Exchequer announced in July that the United Kingdom will meet that target. I do not need to stress the point—my hon. Friend has dealt with it more than adequately—but it is not enough for the Chancellor to make that commitment, because we do not know what events will rock us in the future. Indeed, the Government are currently being rocked by a row about cutting tax credits. I understand what the Chancellor is doing in terms of addressing the budget and I do not want to argue about tax credits, but the political turmoil we are going through in order to cut them is going to save £5 billion, which is the exact sum by which we have increased the international aid budget. That is an interesting analogy. I suspect that the reason the Government were so reticent to make the 2% commitment to defence during and after the general election—we have had to wade through blood, in a sense, to get it—is that the defence budget is so much bigger and more complex than the international aid budget that the Chancellor is,

quite rightly, desperately worried about how he is going to deal with the deficit. I do not blame him for that: it is his job and these are very complex and difficult issues.

The Bill simply provides clarification and a useful political tool for us to not only meet but exceed the target. It also requires the Government to explain their actions if they fail to meet that condition. I pray that the Bill is passed, because not only has it given us the opportunity to debate the issue, but it will allow us to scrutinise the Government on their primary commitment and most absolute function, which is the defence of the realm.

11.35 am

Fiona Bruce (Congleton) (Con): I shall be brief. I am sure that Members will be surprised to see me speaking in a defence debate. It is not a matter on which I would ordinarily presume to speak and I do so with some trepidation. I support the Bill promoted by my hon. Friend the Member for Aldershot (Sir Gerald Howarth), but I do so from a different perspective from those of my right hon. and hon. Friends who have already contributed to the debate.

My first different perspective is that neither I nor any immediate members of my family have a military background, but I represent many members of the public who are increasingly concerned about the increasingly dangerous world around us, and who want to be absolutely reassured that our forces have the necessary resources to protect and defend us in this new world. That goes hand in hand with an increasing respect for the military among those of us who do not have that background. For that reason, I believe it is valid for me to contribute to this debate, even though my expertise is not equal to that of virtually every colleague who has spoken thus far. I represent a large number of concerned members of the public who, when they watch television at night and see what is happening around the globe, want to be reassured that the remarkable men and women in our forces are properly resourced to protect us and to promote global peace and stability.

Bob Stewart: My hon. Friend's town of Congleton was a centre for an entire battalion of the Cheshire Regiment. It is still very powerful and I know that it supports her as well.

Fiona Bruce: I will not comment on my hon. Friend's last remark, but the town very much supports the regiment. Indeed, every year soldiers from Holland visit Congleton to celebrate with our town the wonderful work many of them did when they were stationed there during the last war.

My second different perspective comes from being a member of the International Development Committee. I also sat on the Bill Committee that debated Michael Moore's International Development (Official Development Assistance Target) Act 2015. I very much wanted the 0.7% commitment to international aid to be enshrined in legislation. My hon. Friend the Member for Aldershot also sat on that Committee, but he was on the other side of the argument. I am pleased to say, however, that we are on the same side today. I absolutely agree that if we can commit to a particular target for the overseas aid budget, why not do the same for defence? I also agree

[*Fiona Bruce*]

with my hon. Friend the Member for Gainsborough (Sir Edward Leigh) and others that 2% must be the minimum.

The International Development Committee visited New York last month for the announcement of the sustainable development goals, to which 193 countries have signed up. One of the new goals is to ensure that we keep the peace and provide good governance, the rule of law and sustainable institutions. Unlike the millennium development goals, which were far shorter and simpler, the SDGs require every country not only to endeavour to support the developing world in meeting them, but to commit to do so ourselves. As a country, we have now committed to ensuring that we will do what we can to promote global peace through the SDGs. We did so very publicly, with the Prime Minister and several other Ministers going over there to make that commitment. However, we need the capacity and resources to ensure that we can do so and that we can, when crises occur, ensure that stability, security and peace are promoted.

That is very much my perspective when I say that our forces must be properly resourced to keep the peace. When crises occur and other institutions lack the necessary resources and expertise to tackle potentially devastating problems, it is often British armed forces who step in. I am not seeking to take away from all the other essential roles our forces play with their defence capabilities, on which other hon. Members have much greater expertise, but want to talk instead about the remarkable role that British forces play in promoting peace and containing crises that would otherwise lead to severe instability.

The Ebola crisis last year, particularly in Sierra Leone, was absolutely devastating, but it would have been far worse without the 800 UK military personnel who were sent to west Africa. Military engineers built six treatment centres, each of which had 100 beds. The UK naval ship RFA Argus anchored at Freetown, acting as a base for helicopters to distribute aid and supplies.

When the International Development Committee was in New York last month for the announcement of the SDGs, we met Dr David Nabarro, the UN Secretary-General's special envoy on Ebola. He told us that last September, when the speed of the epidemic suddenly became clear, the UK provided immediate, strong political leadership. The Prime Minister, the Foreign Secretary and the International Development Secretary all said together, in effect, "Count on us." But it was our military that enabled them to translate that political commitment into immediate and very effective action, saving countless lives. I made a careful note of what Dr David Nabarro said:

"My abiding memory of tackling Ebola in Sierra Leone at an early stage were the district Ebola response centres—the DERCS—run by UK Army officers."

He continued that the UK "wins the prize" on military support:

"The big prizes go to the young Army officers in district offices using management disciplines to bring everyone around the table."

Without that, he said that

"the epidemic would have been far worse."

He told us:

"The very presence of RFA Argus in the port of Freetown projected an important symbol of solidarity and stability which helped the capital remain calm."

We cannot be complacent because, time and again, global health experts tell the International Development Committee that there is likely to be a similar and possibly worse global health crisis within the next 30 years. Unless our forces have the capacity to deal with such situations, the world will be a far less stable place. Unless they have that capacity, we will not be able to reassure our people not only that the defence of this country is provided by the Government as a priority, but that so is the global peace to which the Government are committed as part of the SDGs. However, in speaking about that, I do not want to take anything away from all the other aspects of the work that our forces do so expertly.

In closing, I want to give another example of the remarkable impact of our servicemen. I was a member of the International Development Committee when we went to Nepal just before the terrible earthquake disasters, with which our Gurkha regiment officers and retired Gurkha officers helped out. I want to tell the House about the work that a young serving engineer in the Gurkha regiment oversaw in Nepal. The Gurkha welfare scheme looks after retired Gurkhas in Nepal quite remarkably.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Perhaps I can help the hon. Lady. The Bill is about NATO. I understand that great efforts were made by the Royal Army Medical Corps on Ebola and everything else, but we are debating the funding of NATO. I have been very lenient, but if she could just come round to funding that would be helpful.

Fiona Bruce: I will conclude by saying that some remarkable work was carried out in Nepal to provide the water supply for an entire village, at a cost of just £18,000, and it was overseen, with his engineering skills, by that young Army officer. I support the Bill because I believe that it is an essential key to promoting global peace, stability and security, to which our country and 192 other countries have signed up with the SDGs.

11.45 am

Kevin Foster (Torbay) (Con): It is a pleasure to support the Bill. I welcome the fact that it has been brought forward by my hon. Friend the Member for Aldershot (Sir Gerald Howarth).

It is safe to say that I am probably only here because of the Royal Navy. In 1944, Philip and Dorothy Foster—both RN—met in a galley. He was in charge of the stewards and she was in charge of the Wrens in the kitchen. They both had a view on how the galley could perform better and they each blamed the other. Hon. Members can imagine what followed.

To know why the Bill is so important, we need think only about what we see when we are out and about as members of the armed forces parliamentary scheme, meeting many people in the Navy and looking at what they are delivering. I will stick with the Navy, because I am with that service, although the Royal Air Force and the Army also provide such a valuable role. As my grandfather would have said, however, I know which is the senior of the three services.

This is about defending and protecting our nation from all threats, not just military ones. The crew of HMS Iron Duke have been out in the Baltic to deal with

a more traditional threat, but, as my hon. Friend the Member for Congleton (Fiona Bruce) has said, others went out to fight Ebola, a virus that would have threatened lives in this country had it been allowed to spread. That is key: it was as much about saving lives here as about saving lives out in Africa. Had it become a pandemic, it would have reached this country. We could not keep out the black death in the middle ages, and we would not have kept out Ebola in the interconnected 21st-century world.

The Bill is about providing a basic level of support—a floor—in spending as an insurance policy. Why should that be put into law? In the past, I would have emphasised the view that it is for the Chancellor in each Parliament to set out the spending commitments and plans, and to put forward Budgets for approval by the House. The Act to enshrine the international aid commitment has changed my view. For the first time, the commitment of a specific part of GNI—in this case, it is of GDP—was enshrined in law. Now that such a precedent has been set, it is right to put into law one of our other key international pledges, the 2% of GDP on defence.

How we spend the 2% is key—nobody is arguing that it should be wasted or put into inefficient projects—but at 2% of GDP, given some of the historical spending figures that have been cited, we are hardly being spendthrift. It is vital to keep a minimum capability to be able to act. That should be not just through our nuclear deterrent, which we regularly talk about, but, as I said in an intervention, through the conventional deterrent that NATO needs to provide.

My hon. Friend the Member for Gainsborough (Sir Edward Leigh) spoke about the German defence budget. Fundamentally, having a bulwark of conventional forces that can be rapidly expanded at a time of crisis is as much a part of NATO's article 5 deterrence as is the threat of nuclear retaliation if an aggressor state uses weapons of mass destruction against any NATO member. For me, the Bill is about that.

The Bill is also about encouraging our allies by enshrining the commitment in legislation. A country cannot have the Rolls-Royce insurance policy of article 5 mutual self-defence if its budget is that of an old banger. Some countries are building such a capability, but others need to do the same, not least the larger European countries such as Germany and Italy. I would join my hon. Friend in saying that for Germany—a modern, democratic Germany, committed to human rights—to have a capable and effective military is as key a part of keeping security and stability and deterring potential threats to our allies as it is for the United States and the United Kingdom. We obviously had a few differences in history, but we need to look at the future threats, not reminisce about the past.

Putting the target into legislation will secure us against future Governments who do not have the same priorities as we have today. I believe that the current Chancellor and Prime Minister are committed to meeting the target of spending a minimum of 2% of GDP on defence, in accordance with the NATO standard, but imagine if we had a Prime Minister who took the following view:

“Wouldn't it be wonderful if every politician around the world, instead of taking pride in the size of their armed forces...abolished their army and took pride in the fact they don't have an army... That is the way we should be going forward.”

I do not think that the British people are very likely to elect to that role someone who believes that, but it is important to have a bulwark to ensure our ongoing capability. The NATO alliance is based on knowing that the allies that would come to one's rescue will have their capabilities for 10, 15 or 20 years, not just for the lifetime of one Government.

As I said in a couple of interventions, I do not accept the argument that there is a conflict between our 0.7% commitment on international aid and our 2% commitment on defence. Our expenditure is about providing a military capability that gives this House and our Government—in particular the Prime Minister, who exercises the royal prerogative—choices when faced with situations. The choice could be to exercise lethal force to take out a threat to this country's security in a lawless area where the application of international law or a request for extradition would be an almost meaningless gesture, as occurred recently.

The choice could also be to provide unarmed assistance, as in Operation Gritrock, which has been mentioned, thereby using the ability of the military to go anywhere, to deploy and to deliver a capability for a humanitarian end. That could be setting up a field hospital, providing medicine or providing people who are skilled and trained in dealing with biological and chemical warfare agents, whose skills are eminently applicable when a major illness or disease breaks out. As has been said, the military can deliver soft power as well as the hard power that we traditionally assume it will use.

The example that I always give is HMS Ocean, which I have visited. It can be viewed as an amphibious helicopter landing platform. I recently saw it used as part of the Wader exercise, which involved deploying marines and planning a beach raid. It can also be seen as a hospital, a place that can feed thousands of people in an hour and a place that can provide infrastructure for a country that has just had its infrastructure shattered by an earthquake or other natural disaster. It is still the same capability and the same money is being spent.

Sir Gerald Howarth: HMS Ocean serves a further purpose. It provides a magnificent backdrop for signing a treaty with Brazil, which I was privileged to do as a Minister.

Kevin Foster: Indeed, our Navy has always been part of our diplomatic missions across the seas. It has provided a platform not just for war fighting but for trade and diplomacy. It has literally flown our flag for all purposes, not just the traditional purpose of deterrence. Plenty of treaties have been signed on board our ships in the past, and hopefully plenty more will be signed in the coming years.

It is appropriate to commit to the target in the Bill because we do not know exactly what the future threats will be. Two hundred and ten years ago, our predecessors in this House were still awaiting the news of Nelson's victory at Trafalgar, because HMS Pickle was still on its way to Falmouth. The threats we face today would have been unimaginable at that time. For me, this is about making sure that we have a minimum expenditure on capability enshrined in law, so that whatever threat comes along over the next 20 to 30 years we have armed forces that are able to respond to it in their current form or able to expand, as they did in the great crises of 1939 and 1914 to meet a new aggressive threat. At the core of

[Kevin Foster]

those forces must be professionals who have been in the military for many years and can take their skills with them into an expanded military.

I believe that this is the right step to take. It is certainly one that many of our constituents wish us to take. If we had not put into law one international target, I would accept the argument that we should not put such targets into our national law, but the precedent has been set. It is therefore time to put this target into our law and send a similarly powerful message to other countries about our commitment to the north Atlantic alliance as that which we have sent about our commitment to the UN's development goals. I might have accepted the arguments about relevance and so forth, but they were all dealt with in the consideration of the other Bill.

As has been said, NATO has now expanded to 26 members, and it is vital—

Bob Stewart: Twenty-eight.

Kevin Foster: I happily stand corrected by my hon. and gallant Friend.

This House needs to send a clear message to all the other members that we expect them to play their role in the alliance and not just rely, as has traditionally happened, on the United States to fund the majority of NATO's capability. As we approach a presidential election next year in which it appears domestic issues will again be the greatest priority in US public debate, it would be naive at best to continue to believe that the US will not take the opportunity to ask Europe to pay for its own defence. Hence, it is important that we, as one of the key European powers, set this benchmark into our law and give it a more permanent basis.

In conclusion, it has been a pleasure to listen to so many colleagues in this debate. I look forward to hearing what the Minister has to say. I pay tribute to the improvements in the spending of our money in the area of defence procurement. Hopefully, we will see massive new capabilities coming on stream with projects such as the Type 26. The Bill is not about being spendthrift on defence or about spending money on things that we do not need. It is right to make sure that our procurement is accurate. We do not want another situation like the Type 45 project, where a £6 billion budget for 12 destroyers became a £6 billion budget for six. That is not a situation that anyone in this House wants.

With the new carriers coming on stream, the new Astute class submarine being available for deployment and the new kit across our armed forces, I think we will have capable and effective armed forces into the future, but we need to give them certainty over future funding. That is why it is right that the Government made the pledge that they did and why it is right that this House puts into law the minimum we will spend for the long term, making it much harder for any future Government to change it on a whim. I do not believe that this Government will, but there is always a chance that others will.

It is right that we take a leading role in NATO, it is right that the Government are committed to the target and it is right for us to give the Bill its Second Reading.

11.58 am

Rachael Maskell (York Central) (Lab/Co-op): I am grateful for the opportunity to speak on Second Reading and to respond to the hon. Member for Aldershot (Sir Gerald Howarth), who is renowned for highlighting the importance of our security. I thank him for his kind words to me today.

There have been many excellent contributions to this debate. The right hon. Member for New Forest East (Dr Lewis) made a plea for a 3% minimum underpinning and highlighted the challenges of accounting across Departments. The hon. and gallant Member for Beckenham (Bob Stewart) highlighted the inequality in defence spending across different European nations and in comparison with the US. The hon. Member for Romford (Andrew Rosindell) warned of the risks of making further cuts to defence and supported the case for a 2% target. The hon. Member for Eddisbury (Antoinette Sandbach) spoke about the wider benefits that we receive from our military and looked, in particular, at the investment in skills that is part of that 2% spend.

The hon. Member for North West Norfolk (Mr Bellingham) talked about the vital role our forces play in our community. As the Member for York Central, with Imphal barracks in my constituency, I concur with those comments. I recognise the huge contribution that the barracks make to my community.

The hon. Member for Gainsborough (Sir Edward Leigh) made a broad contribution. He warned about the accounting challenges for Departments and talked about the changing spend across Europe, particularly in Germany. He also reflected on the wider contribution of our servicemen and servicewomen in humanitarian efforts, and he particularly drew attention to the humanitarian challenges that we currently face with the immigration and refugee situation.

The hon. Member for Congleton (Fiona Bruce) brought to the debate her growing experience and her respect for the forces. She particularly reflected on the 0.7% of GDP commitment for the international aid budget, and she highlighted the important role that our service personnel play in humanitarian work, particularly the 800 service personnel who supported those affected by the Ebola crisis in Africa. We pay tribute to them.

Finally, we heard from the hon. Member for Torbay (Kevin Foster), who reflected on his experience in the armed forces parliamentary scheme.

It is a huge privilege to highlight the importance that the Labour party places on our national security and our role in safeguarding the wider world. We live in an ever complex and challenging international landscape, in which our service personnel selflessly give of themselves to keep us safe. Today we have been reminded of new threats such as cyber-threats, which we have seen over the past 24 hours, and we have heard about the expanding spend on the defence capability of China, with which we have struck a deal on nuclear power this week. Clearly, the Labour party would place a question mark on that.

Jeremy Quin (Horsham) (Con): Given what the hon. Lady is saying about all the threats that this country faces, is giving up the nuclear deterrent really the best way forward?

Rachael Maskell: I will come on to our defence strategy later in my contribution.

The first duty of any Government is to ensure that we have the capacity and capability to defend ourselves against current and future threats, while ensuring that every precaution is taken to safeguard those who put themselves in danger for our security. The Opposition are determined to scrutinise each decision the Government take and ensure that there is a modern and strategic plan to maximise our security.

As the party in power, Labour consistently spent well above the minimum 2% NATO target, and we therefore embrace the principle that the Bill is intended to achieve. In 2006 NATO recognised the sharp decline of an average of 10% in many of its European members' defence budgets, but we have witnessed an even sharper decline in the UK, with the Conservative-led Government cutting the defence budget by 18% between 2009-10 and 2014-15. We can thank the current Administration, and the previous Conservative-led Administration, for the scepticism about our defence budget. Because of such actions by the last Government, and by other European countries, an agreement was made through NATO that Governments should commit to apportioning 2% of their GDP to defence spending. Under a Labour Government in 2006, Britain was recognised as the largest NATO contributor of its GDP to defence outside the US.

At the September 2014 summit in Wales, progress had not been made, so the nations again embraced the 2020 minimum target of 2% with renewed commitment, although it must be noted that no nation has enshrined that target in its domestic law. In fact, academics have been quite critical of the 2% target, as it does not commit to how much investment should be hypothecated, for instance, for research and development to provide cutting-edge technology. Even with a 2% spend, the proportion of national defence spending does not necessarily align with the capability that a nation is willing to deploy and how relevant its equipment is to the challenges faced in any particular operation.

I am sure that a further air of scepticism has developed among Members, because if a statutory 2% of GDP is apportioned to defence, we know that it will be met, even if that happens through creative cross-departmental definitions involving wider security. As the NATO report on financial and economic data highlights, and as we have heard in the debate, the UK is projected to spend 2.08% of GDP on defence this financial year. However, when measured against the NATO determinants, spend sits at 1.97%, and that is before accounting for the £500 million cut to the MOD announced on 4 June. So let us be clear: Labour Governments deliver on the minimum 2% target, and it is only since 2010 that the target has been put at risk. Indeed, it is at risk this year.

Stretching definitions to wider defence and security interests does not make our shores safer. Not putting the 2% into statute enables a more honest assessment of our capability and spend. I mention both capability and spend because output is more significant to Labour Members than input. To give an example, £800 million is being spent on military pensions, which the Government have now classified as defence spending. Spending on the single intelligence account, from which MI5, MI6 and GCHQ derive their funding, has also now appeared

within the Government's 2% classification, and today we have heard that up to £1.4 billion has been added from other budgets.

Labour is determined that the Government's defence spending should become not just a smoke-and-mirrors exercise to justify a target, as has happened with so many targets, but that it should reflect a serious commitment to safeguard our security. After the last strategic defence and security review, we were left with aircraft carriers without aircraft, and the UK was left without any maritime patrol capabilities. Shamefully, serving personnel were left without the most up-to-date equipment.

Antoinette Sandbach: Will the hon. Lady give way?

Rachael Maskell: I am going to continue at this time.

Even this week, we heard in Defence questions about how old equipment, not the most up-to-date, is being used for training. Not only do such decisions seriously shrink our capability in proportion to spend, they also create risk. There is clear nervousness among the Government's own Back Benchers, which is why they want to tie the hands of their Front Benchers today so that that can never happen again.

Labour Members can therefore understand the concerns that have been raised throughout the House as a result of the last strategic defence and security review, which was neither strategic nor sought to maximise our security. The huge scale of the cuts driven by the Chancellor since 2010 has placed ideology ahead of our national security. Labour is taking a different approach to defence spending. We have already announced that we will carry out a strategic review of our security, which will be evidence-led to ensure that our nation is safe and that we secure strong global partners in defending those at risk and creating a safer world.

Sir Edward Leigh: Will Labour vote against Trident?

Rachael Maskell: I do not want to repeat myself for the hon. Gentleman, but I have just said that we are leading an evidence-led strategic security review, and obviously we will have to see the findings.

Labour has a proud history on these matters. We need only look to the record of the Labour Government's last term, when we spent an average of 2.4% of GDP each year, compared with the little over 2% predicted for this year, which includes wider spending commitments beyond those strictly defined as defence. That is a worrying trend. With NATO having been founded under that great Labour Government led by Major Attlee, our party is committed to the principle of spending a minimum of 2% on defence so that we have the modern capabilities we need to secure our nation's future.

12.9 pm

The Minister for Defence Procurement (Mr Philip Dunne): It is a great pleasure to conclude this debate, and I congratulate my hon. Friend the Member for Aldershot (Sir Gerald Howarth)—a predecessor in my Department—on his commitment to defence. That commitment is well known not just in this House but to every citizen of Aldershot, whether they vote for him or not, and not least by the Royal Air Force, with which he spends a great deal of his time outside this Chamber. His commitment is much appreciated by all those who come across him.

[Mr Philip Dunne]

My hon. Friend's commitment to this Bill is in no doubt, and although the Government may have issues about legislating for such a commitment, we have none whatever with the intent to ensure that the country makes a full contribution to meeting our NATO pledges. Having secured such an elevated status in the ballot for private Members' Bills, he chose defence as his topic, and we all owe him a debt of gratitude for the opportunity to hold this debate, even if we are not all in wholehearted agreement with the precise wording of his Bill—despite that, most of the people who have spoken thus far would appear to be.

The Government fully support the objective of spending 2% of GDP on defence and we are delivering on that, but I have some reservations that I will set out in my remarks. My hon. Friend's desire to legislate for Government spending on defence to constitute no less than 2% of gross domestic product is founded on admirable intent, and reflects a sense of the absolute importance that we place on that guideline. It is yet another reminder of the Chancellor's announcement in the July Budget that we will not only meet the NATO guideline to spend 2% of GDP on defence this year, but we will meet it each year for the rest of this Parliament.

In July the Chancellor also confirmed that our budget will rise by 0.5% above inflation until 2021, and that up to £1.5 billion will be made available by the end of this Parliament for the armed forces and the security and intelligence agencies to bid into. Those combinations, which I will touch on later, make us confident that we will meet the 2% target, which some hon. Members have questioned.

Sir Gerald Howarth: On the joint security fund, will the Minister explain how we get to £1.5 billion? Will there be a progressive increase, and what does he anticipate the bidding process will be?

Mr Dunne: My hon. Friend tempts me to venture into the inner workings of the comprehensive spending review that is being conducted by my hon. Friends in the Treasury, but he will not have too long to wait before we get a proper and comprehensive answer to his question. The profiling and allocation of the fund will be determined through the spending review and the strategic defence and security review, and all will be revealed before the end of the year. I am sure that he will scrutinise it with considerable interest.

Let me look briefly back in history and remind hon. Members about the origins of the 2% GDP guideline, which was a question raised by my hon. Friend the Member for Gainsborough (Sir Edward Leigh). The target was first found in NATO resource guidance during the cold war, and it underlined the political and military need

“to improve NATO's conventional defence capabilities in relation to those of the Warsaw Pact in order to narrow the gap and reduce dependence on the early recourse to nuclear weapons.

It stressed:

“Those nations which have not met it in the past should make every effort to do so in the future.”

When that ambition was set, the reasons for the guidance were self-evident. I am not the oldest Member in the Chamber. I was born in 1958, and that frames my recollections of the later stages of the cold war in the

1970s and 1980s. One or two Members might be able to go back a decade before that, but very few—with the possible exception of the Leader of the Opposition—could go back to the origins of the cold war in the 1950s. Those who lived through those dark times have not forgotten what it was like, with armies of the east and west facing off against each other, and the ever-present fear of not just conventional war, but a potential nuclear attack.

After the fall of the Berlin wall in 1989 and the downfall of the Soviet Union, attitudes to defence spending changed. Nations—including this one—spoke of a peace dividend, and chose to channel defence spending into social programmes rather than military hardware. Yet more recently, nations have begun to redress that position. In 2006 the then United States Ambassador to NATO, Victoria Nuland, referred to 2% as the “unofficial floor” on defence spending in NATO. One month later at the NATO summit in Riga, further comprehensive political guidance helped to redefine the role of the alliance, and 2% became a genuine aspiration. Despite that, the likelihood of reversing the downward trajectory of defence spending seemed remote until last year when, at the NATO summit in Wales, and as we faced the greatest crises since the end of the cold war, nations finally agreed to raise the profile of the 2% pledge to make it meaningful.

I am sure that Conservative Members at least will remember the Prime Minister standing shoulder to shoulder with President Obama at Celtic Manor in Wales last year, urging all 28 nations to step up to the plate, and signing a landmark declaration. It might be helpful to the House if I remind hon. Members of exactly what was said—I hope that you will indulge a longish quote, Madam Deputy Speaker. It was declared:

“We agree to reverse the trend of declining defence budgets, to make the most effective use of our funds and to further a more balanced sharing of costs and responsibilities. Our overall security and defence depend both on how much we spend and how we spend it. Increased investments should be directed towards meeting our capability priorities, and Allies also need to display the political will to provide required capabilities and deploy forces when they are needed. A strong defence industry across the Alliance, including a stronger defence industry in Europe...and across the Atlantic, remains essential for delivering the required capabilities. NATO and EU efforts to strengthen defence capabilities are complementary. Taking current commitments into account, we are guided by the following considerations:

Allies currently meeting the NATO guideline to spend a minimum of 2% of their Gross Domestic Product (GDP) on defence will aim to continue to do so. Likewise, Allies spending more than 20% of their defence budgets on major equipment, including related Research & Development, will continue to do so...Allies whose current proportion of GDP spent on defence is below this level will halt any decline in defence expenditure; aim to increase defence expenditure in real terms as GDP grows; aim to move towards the 2% guideline within a decade with a view to meeting their NATO Capability Targets and filling NATO's capability shortfalls

Allies who currently spend less than 20% of their annual defence spending on major new equipment, including related Research & Development, will aim, within a decade, to increase their annual investments to 20% or more of total defence expenditures. All Allies will ensure that their land, air and maritime forces meet NATO agreed guidelines for deployability and sustainability and other agreed output metrics and ensure that their armed forces can operate together effectively, including through the implementation of agreed NATO standards and doctrines...Allies will review national progress annually, and that will be discussed at future defence ministerial meetings and reviewed by heads of state and government at future summits.”

Sir Edward Leigh: Will the Minister comment on the German problem? Germany is a massive political and economic power in Europe and a lot of us are very concerned about what has happened to its defence budget.

Mr Dunne: We have a close and growing defence relationship with Germany. I would anticipate that, as part of the SDSR, we will see an increasing strand of activity, looking to work in a more interoperable way with German armed forces and to bring them into more of our alliances, and bilateral and multilateral relationships within NATO. We are certainly doing what we can to encourage our friends in Germany to play their part.

Sir Edward Leigh: That is all fine, but I just wonder what discussions are going on. Is there any chance of Germany meeting this target?

Mr Dunne: I will come on to the targets shortly, if I may, in relation to individual nations. The point is that we are increasingly recognising a need to engage with the German military to bring it more into line with operations training and other defence needs.

The reason for reading out such an extensive quote from last year's NATO summit is to emphasise the importance of the words included in that statement. They are at the heart of the alliance. The commitment to an annual review of investment pledges by Heads of Government was new and is significant. It helps, for the purposes of this debate, to ensure that there is no doubt whatever about why our 2% spending commitment matters. That is what I shall go on now to address. There are three principal strands.

First, it will give the UK the capability we need to face the dangers ahead. It is no secret that our national security strategy will confirm that we are living in a darker, more dangerous world. That has been referred to by many hon. Members, not least by my hon. Friend the Member for Aldershot in opening this debate. We have seen other nations upping their spending and, as we have also heard from Members today, upgrading their capability.

Russia has continued to modernise its military capability, bringing in new missile systems, aircraft, submarines and surface vessels, and armoured vehicles. As President Putin regularly reminds us, it is also upgrading its nuclear capability, preparing to deploy a variety of land-based intercontinental ballistic missile classes, planning to reintroduce rail-based intercontinental missiles, and commissioning a new Dolgoruky class of eight SSBN vessels.

I am sure hon. Members will be interested, if they are not already well aware, to know that this class of vessel is named after the Russian medieval founder of Moscow, Yuri Dolgoruky. Dolgoruky, my friends, literally means "long arms", a rather sombre metaphor for President Putin's ambitions to extend Russia's military reach around the world.

This new military capability and assertiveness, as most recently seen in Ukraine and Syria, must inform our national security risk assessment that we are undertaking as a precursor to the SDSR. It also underlines the arguments in support of our decision to press ahead with the Successor replacement for our own Vanguard class strategic deterrent—on which more later.

I note the comments from the hon. Member for York Central (Rachael Maskell) that the Opposition are undertaking a strategic review of defence. I urge them to do that as swiftly as they can, so that they will have made their mind up by the time of the decision.

Dr Julian Lewis: I am a little surprised at the vagueness of the Opposition today. I thought the position was absolutely clear—namely, that the Opposition are committed to continuous at-sea deterrence and the continuation of Trident under the Successor programme, because that was the position adopted by the Labour party and endorsed by its recent conference. The decision was taken not to change the policy. If a free vote is necessary for the Opposition, it will be the Leader of the Opposition who has to take advantage of it, not the people who believe in Trident.

Mr Dunne: My right hon. Friend has highlighted one of perhaps a number of apparent inconsistencies between certain leading members of the Opposition and those on their current Front Bench. I do not want to prey on the misery of the hon. Member for York Central (Rachael Maskell). I should have started by welcoming her to her position. [HON. MEMBERS: "Hear, hear."] This is her second appearance in the Chamber this week in her new role as a Defence Minister. She is doing an admirable job, if I may say so, completely unsupported as she is in this debate by a single colleague. That speaks volumes for the interest the Opposition parties en bloc take in defence. I do not want to put her under any more pressure than my right hon. Friend has done. It is really for her to decide whether she wants to intervene to clarify the position. I would be very happy to take such an intervention, but I would not be surprised if she chose not to make one at this particular moment.

Moving beyond Russia, our friends from China are here in the UK today. They are already the world's second-highest military spenders, with the world's largest standing army. The Chinese are investing in hi-tech equipment, such as submarines and stealth jets, and upgrading their naval forces, including their first aircraft carrier.

Russia and China are far from the last of the big spenders in defence around the world. India has announced a core defence budget of \$41 billion for this fiscal year. Perhaps most understandably, South Korea plans to increase its defence budget sharply next year, with its ministry of national defence requesting a budget of \$36 billion to bolster its combat power at the border with North Korea and to increase funding for anti-submarine warfare systems. Some of this increasing international commitment to defence spending brings with it opportunity. Where we can develop greater interoperability of equipment and capability with our partners and allies, we will seek to do so.

If we look at the emerging international picture, it helps to crystallise our need to stay competitive and keep ahead of the curve. That is why we have spent the past few years transforming defence, eliminating the black hole in our finances and turning our procurement arm, Defence Equipment and Support, into a bespoke trading organisation that is able to operate along more commercial lines with an agreed operating cost and more business-like relationship with industry. The reason we are doing this is to meet some of the challenges that

[*Mr Dunne*]

have been posed by hon. Members in their remarks. If we are going to have a growing defence budget, we need to make sure we spend it wisely.

The reforms we have enacted so far have allowed us to put in place the £166 billion 10-year equipment plan I referenced earlier in my intervention on my hon. Friend the Member for Gainsborough. I commend it to the House. It was published yesterday and I have a copy here. It is a relatively easy read and has some helpful pictures to encourage hon. Members to get through the document readily. It provides us with a plan for the future to spend our growing budget, in particular our commitment on new equipment. We will do so meeting our NATO pledge throughout this Parliament.

This new financial rigour allows us to get far more bang for our buck by procuring more efficiently. Yesterday, alongside our equipment plan, the public spending watchdog, the National Audit Office, published its independent audit of our major projects and the equipment plan. It found that the cost of the Department's 13 largest equipment programmes fell by £247 million last year. With the exception of one additional requirement to refuel a Vanguard class submarine, we brought the delivery-on-time performance for those 13 major projects down to an in-year increase of only eight months. If I may take a moment, I would like to contrast that with the performance highlighted by the NAO's 2009 report, the last full year of the previous Labour Government, where the in-year delivery performance was on aggregate 93 months out of time. In real terms and in real English, that is around eight years. We have brought that down to eight months, which I think is the most graphic illustration I can provide of how we are transforming defence acquisition—an issue raised by several of my hon. Friends.

When we introduced the equipment plan, it was characterised as “hopeful” by the then shadow Defence team in that it was based on a number of assumptions. We have been publishing the plan and getting it reviewed by the National Audit Office each year, so the assumptions we have made each year are being assessed. I am pleased to say that in each of the four years, greater confidence has been gained in the assumptions being made. The proposals in this particular document have been described as more stable than in any of the previous years. The NAO believes that we are set to remain “affordable” for the rest of the Parliament under current conditions.

As my hon. Friend the Member for Gainsborough will appreciate as former Chairman of the Public Accounts Committee—he had some of the closest dealings with the NAO—it is rare to receive praise from the NAO. For that office to declare a programme as “stable” is about as close as one can get to a positive red star. We are very pleased with the report. Perhaps a gold star is more appropriate in the school context.

Let me now touch on the capability that we will be able to call on as a result of our reforms. Some programmes have already been referenced by hon. Members. Of course, one of the largest programmes currently in build is the construction of the two Queen Elizabeth class aircraft carriers, each 68,000 tonnes—the most powerful ships ever built in this country. Earlier this month, I was privileged to visit BAE Systems shipyard in Govan on the Clyde and see the latest blocks of HMS Prince of

Wales before they were barged to Rosyth to be assembled. Shortly after I was there, the largest single block—over 11,000 tonnes—sent round to Rosyth was attached to the existing dry dock, and the process was described as “skidding”, whereby a block on a barge is gently moved into place. This was the largest such move of a block of shipbuilding anywhere in Europe ever. It happened successfully and to within the tolerance of 3 mm that it was working towards, which is an astonishing feat of engineering by any standards.

While I was in Scotland, I had the distinct privilege of cutting steel for the first time on HMS Trent, the third of our offshore patrol vessels, the latest class that we are commissioning for the Royal Navy. These projects are, in turn, securing the skills required to build the Type 26 global combat ship, which is another example of our investment in the Royal Navy. It will be one of the most significant programmes undertaken during this Parliament.

Dr Julian Lewis: Given that the Minister mentions the Type 26, which I would loosely describe as a replacement frigate, will he take this opportunity to confirm, now that we have just the six Type 45 destroyers, that there is no question of going below the total of 13 Type 26 frigates, thus keeping our total of frigates and destroyers at 19—itself a huge reduction from the 35 we had in 1997?

Mr Dunne: I congratulate my right hon. Friend on securing the chairmanship of the Select Committee. I have no doubt that he will press Ministers on many programmatic issues. What I am afraid I cannot be tempted into doing is to pre-empt the conclusion from the SDSR, which will reach its conclusions, as I have said, before the end of the year. What I can tell my right hon. Friend about the approach to the SDSR is that any programmes not committed before the start of the process are on the table for review and consideration of allocation of spending in accordance with other programmes. I am not going to be drawn on what that means for Type 26 in particular, but as I have said, this is going to be one of the biggest programmes we have for the rest of this Parliament.

Dr Lewis: Do I therefore understand that when the SDSR comes out, we will know for certain that there will be no reduction from the total of 13 Type 26s?

Mr Dunne: I think all I can do is to encourage my right hon. Friend to read the SDSR carefully when it comes out, so that he can draw whatever conclusions he can.

Moving beyond the Navy for a moment, flying from the aircraft carriers will be the F-35B Lightning II Strike Fighters, which have stealth built into their DNA. Their advanced systems give pilots enhanced network connectivity, allowing them to send real-time information untainted and unseen by others from the battlefield to the back office, up to Ministers and back again if necessary to prosecute decisions.

Last month at the defence and security equipment international exhibition, we saw what is going to happen on the land front, but before I move on to land, I believe my right hon. Friend was fortunate enough to visit the showcase that took place when Parliament was in the conference recess and the F-35 cockpit simulator was here in London. He has indicated that this was an

outstandingly good event and worthwhile experience, which unfortunately many hon. Members were unable to share because the House was not sitting at the time. I think he may have an observation to make on that.

Dr Lewis: I was not intending to intervene, but I cannot resist an invitation like that. This was an outstandingly good event. I am hoping that it may be possible to bring the same presentation—not only the cockpit simulation of the Lightning II, but the presentations by the representatives of many of the firms involved in the supply chain—to illustrate to hon. Members that hard power has economic value, as Lord Sterling is always trying to tell us in the other place.

Mr Dunne: I am grateful for that suggestion, and will happily take it up with Lockheed Martin, who I believe organised the event, to establish whether it would be willing to repeat it. On the issue of prosperity, I can give my right hon. Friend another sneak preview ahead of publication of the SDSR, in that there is likely to be a theme coursing through that document of how much defence contributes to our economy and the nation's prosperity.

Sir Gerald Howarth: I would like to endorse what my right hon. Friend the Member for New Forest East (Dr Lewis) said about the F-35 cockpit simulator. I had a chance as a pilot to have a look at it, and I have to say that it was extremely impressive. I agree that that should be made available to more Members because this is going to be a very important programme in the Royal Air Force agenda and in the defence of the United Kingdom.

Mr Dunne: I am grateful for that endorsement. I completely agree with my right hon. and hon. Friends that the UK as a tier 1 partner has a unique role to play in the development of this programme over decades to come. It is the single largest defence programme in the world ever—in value terms, although that may be as much to do with inflation as anything else. We have a 15% share in the manufacture in this country of each and every one of those platforms as they come into service in air forces around the world. The contribution it will make to sustaining the vibrancy of our defence industry cannot be overstated.

Dr Julian Lewis: There is, in fact, one other aspect of the F-35 programme that I had not realised until recently: the potential for expansion in a crisis. When the assembly line is operating at its peak in America, it will produce one of these aircraft per day. If ever, heaven forbid, we found ourselves in sudden need of a large number of extra aircraft, that joint capacity between British industry and American industry will enable us to fulfil our needs.

Mr Dunne: That is a very interesting observation. At a time of surge and crisis, it will obviously be a challenge to produce a pilot every day at such a pace, but it is clear that that is currently being planned. Given the scale of the programme, which will last for three decades, it will involve a steady and regular introduction of capability to a number of air forces, including ours.

Let me say a little about what is coming to the land environment. At the DSEI exhibition, which a number of Members were able to attend last month, we showed what the next generation of Ajax armoured vehicles

would look like. They are fully digital platforms with multi-purpose capability. They will have 360° thermal and visual drive-in cameras, laser detection ability, and numerous other new features that would be expected from a platform that has been designed in the 21st century—the first such platform to be available for our armed forces. They will act as the eyes and ears of commanders on the battlefields of the future.

Thanks to the Warrior capability sustainment programme, Ajax will line up alongside the Army's fleet of upgraded Warriors, soon to be enhanced with a range of upgrades that will be relevant to their variant role. Some will have state-of-the-art turrets, cannon and electronics, which will keep this highly successful armoured fighting vehicle at the front and centre of combat capability for the next 25 years.

We are not just investing in our traditional single services; we have also created the Joint Forces Command, which has combined our intelligence, surveillance and reconnaissance with our cyber and command, control, co-ordination and communications assets for even greater effect.

That brings me back to the Successor programme, and the other major investment decision that will be made during the current Parliament. On Wednesday, I was pleased to be able to attend at least part of the “keeping our future afloat” event, which brought together the shipbuilding industry, unions and Members of Parliament from all parts of the House. At that meeting, the Defence Secretary again restated our commitment to building four Successor ballistic missile submarines to replace the four Vanguard boats, and to retaining the Trident continuous at-sea nuclear deterrence patrols that provide the ultimate guarantee of our security. He also reminded us why it is so vital to keep remaking the case for our deterrent at a time when the nuclear threats have not disappeared, when emerging states have not stopped seeking nuclear capability, and when we cannot guarantee that it will not be present again in the 2030s, 2040s or 2050s. There has never been a more important time for the United Kingdom to have a credible, operationally independent minimum capable deterrent—and we should not forget that it was Attlee and Bevin who argued for a nuclear deterrent with a Union Jack on the top of it.

I reiterate that I look forward to the conclusion of the review that the hon. Member for York Central is conducting with the shadow Defence Secretary, the hon. Member for Garston and Halewood (Maria Eagle), to clarify the Opposition's posture, and we look forward to support from Opposition Members in the Division Lobby when we come to vote on the topic. We think it important for politicians of all stripes to put aside politics for the national good, and to work together to keep our country safe. After all, our deterrent advances our prosperity as well as our security.

That was at the forefront of the remarks of the host of Wednesday's event, the hon. Member for Barrow and Furness (John Woodcock), who is a strong advocate of the deterrent programme—not least because most of it is built in his constituency. He pointed out that in the Members' Dining Room was a map of the United Kingdom on which were little red dots criss-crossing the whole country—every nation and nearly every county, although I cannot add “every constituency”. It showed the huge number of companies in the supply chain

[*Mr Dunne*]

which support our nuclear defence industry: hundreds of businesses providing thousands of jobs. That is, of course, before we consider the physical facilities where the deterrent will be based. I believe that Her Majesty's naval base Clyde is the largest employment site in Scotland. It currently provides about 6,700 military and civilian jobs, and by 2022 the number will increase to 8,200.

Sir Edward Leigh: Would the Minister welcome a contribution from the Scottish National party Members who are present on their attitude to the Clyde?

Mr Dunne: We often hear from members of the SNP in our Chamber, but I regret to say that there do not appear to be any here at all, and not just at this point, when we are discussing the deterrent. None has been present at any point during the day, and we are now more than three hours into the debate. That is regrettable. I am afraid it shows an extraordinary lack of interest in defence and particularly in the Clyde, despite its being the largest employment site in the nation.

Let me now say something about the strategic defence and security review. I have been tempted by colleagues to betray some of the review's conclusions; that would obviously be premature, but I will spend a few moments discussing the context. We begin the exercise in immeasurably better shape than was the case in 2010, thanks to our growing budget and our new ability to recycle efficiency savings into more front-line capability. That is another significant change that was flagged by the Chancellor in his summer Budget, and it provides real flexibility and incentives for the Ministry and our commands to identify efficiencies that can be reinvested in capability. That is a good position to be in. It is good for the Ministry to be looking forward to a growing budget, and it is good for the commands and everyone involved in defence procurement to be given an incentive to try to secure the benefit of efficiencies that we can invest in our priorities. That was certainly not the position when the last SDSR was undertaken.

As my hon. Friend the Member for Aldershot mentioned earlier, he was a Defence Minister at the time. He gave credit to the former Defence Secretary, the right hon. Member for North Somerset (Dr Fox)—who was in the Chamber earlier—for the role that he had played in handling the £38 billion black hole that we inherited, and helping to get the Department into financial balance. That financial certainty, resulting partly from the summer Budget, has given us the confidence to undertake a full and comprehensive SDSR with unprecedented clarity over our financial baseline.

The SDSR is approaching its climax over the coming weeks. It will enable us to match our future capabilities with future threats while providing a coherent, integrated response covering defence, counter-terrorism and homeland security. It has been led by the Cabinet Office, but it is a truly cross-Government effort, drawing together defence, the Foreign Office, the Home Office, the security agencies and others. I am pleased that the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), is present, because he takes a great interest in that work.

Advice has been fed in not just from across Government, but from a spectrum of external experts and allies. I pay tribute to the contributions of, in particular, the United States, France and other NATO allies. As might be imagined, there have also been contributions from various elements of the defence industry, including the trade associations and the individual companies that give such magnificent support to our armed forces. Strangely enough, they all have ideas about capabilities that they happen to manufacture and consider to be suitable for our armed forces to operate. I hope that we shall be able to satisfy some of them, although I doubt that we shall be able to satisfy each and every one.

We believe that our work for SDSR 2015 is better grounded than the work done on any of the previous reviews, and we have been able to make some key priority decisions early in the process. We already lead the way in our intelligence and surveillance capabilities, and we are currently the only coalition nation conducting manned intelligence, surveillance and reconnaissance operations over Syria. However, we believe that we can do more. Earlier this month, the Prime Minister announced our plans to double the fleet of remotely piloted air systems during the current Parliament. The new Protector aircraft will dramatically increase the UK's ability to identify, track, deter and ultimately counter the potential threats, which will enhance our global intelligence, surveillance and reconnaissance capability. The Prime Minister has also announced that we will upgrade our special forces' equipment, ensuring that those cutting-edge troops remain at the cutting edge of technology, giving us a clear advantage over our adversaries.

But this is just the beginning of what we hope to achieve through the SDSR. As the US offset strategy recognises, the technological advantage on which the west has relied for decades is gradually being eroded. It was pleasing to hear the hon. Member for York Central emphasising the need to maintain our technological edge. We agree with her on that. It is clear that some of our budget will need to be spent on disruptive technologies, whether in space, data analytics, operational energy, cyber or autonomy. We need to answer certain key questions. How can we increase our underwater capability to counter anti-access area denial? How can we maintain air dominance and strike in non-permissive environments? How can we develop our counter-electronic warfare capabilities? And how can we utilise quantum technologies to circumvent our reliance on space-based navigation systems?

During the visit of the US Defence Secretary, Ash Carter, earlier this month, the Defence Secretary announced that we will invest more than £70 million during the next five years to transform our approach to defence innovation, ensuring that we are open to the widest range of innovative ideas. Innovation will be another strand that will course through the SDSR.

Reverting to the matter of the 2% commitment, which I am sure hon. Members are keen to move on to, this is not just about bolstering our capability. A further reason that it matters is that it is about strengthening NATO. We must ensure that the greatest defensive alliance the world has ever known remains able to counter the multiple and concurrent threats that we face, whether in the form of state aggression, global terror or international piracy. The alliance derives its strength from its commitment to collective defence.

Hon. Members have touched on the question of contributions from members of the alliance. Only five countries are expected to spend 2% on defence this year. They are the United Kingdom, the United States, Estonia, Greece and—this year for the first time—Poland. Nineteen of the 28 members do not spend 1.5%, and four of the members do not even spend 1% of their GDP on defence. This emboldens our enemies and weakens our allies. We should not forget that NATO was founded 66 years ago on the basis that all members would pay their way.

This matter has been raised by many hon. Members, and this might be a suitable moment for me to reflect on the contributions that have been made to the debate. The opening speech from my hon. Friend the Member for Aldershot was outstandingly concise for a debate of this nature. I wholeheartedly agree with his exposition of the threat that we face and with his descriptions of our position in NATO, the leadership role we need to maintain and the example we need to set. I have already paid tribute to the profile that he gives to defence in the Chamber and outside this place. It is very welcome, and I am particularly pleased to have this opportunity to have this debate today, thanks to his efforts.

We have heard contributions from a number of hon. Friends, all bar one of whom spoke from this side of the House. It is a pleasure to welcome my right hon. Friend the Member for New Forest East (Dr Lewis) to his chairmanship of the Defence Select Committee. His speech was disappointing in that it was uncharacteristically brief. He was, however, characteristically clear in his support for defence, which we all appreciate, particularly in his present role. We look forward to his persistent and challenging chairmanship of the Committee. On the topic of today's debate, I am not sure that he would find any figure acceptable as a floor for defence spending. I am sure, however, that he will support the Government's commitment to maintaining defence spending and that he will welcome the fact that it is a growing figure, in excess of 2%. I am sure that he will also welcome our commitment to maintaining our continuous at-sea deterrence, a subject on which he is probably the greatest living expert in this House, and that he will support the replacement of our strategic deterrent during the course of this Parliament.

My hon. and gallant Friend the Member for Beckenham (Bob Stewart) identified the fact that most of our major European allies have reduced their spending on defence and now rely even more on the United States. The passion that he brings to any topic of debate, but particularly to defence matters, has become well known since he joined us just over five years ago. That passion was evident again today in his powerful speech, in which he appealed for the costs of the defence of the realm to be enshrined in law.

My hon. Friend the Member for Romford (Andrew Rosindell) spoke knowledgably of the threats that we face. He was concerned that we would not make the commitment to 2% this year, but I can assure him that we will do so. I will give the House details of the calculations involved in a moment. He is one of the leading champions of our overseas territories, and he was right to highlight the role of the armed forces in providing security to those territories, an undertaking to which this Government are fully committed.

Bob Stewart: Cyprus is not an overseas territory, but the sovereign base areas in that country are part of the United Kingdom. People have now started to arrive in those areas by ship. May I tempt my hon. Friend to tell the House what the Ministry of Defence and the Foreign and Commonwealth Office are going to do about that? Are we perhaps going to put more ship capability out there? The ship that is now at RAF Akrotiri is old and very tired.

Mr Dunne: I thank my hon. Friend for giving me the opportunity to explain what we know thus far about the arrival by boat yesterday of migrants on the shore of RAF Akrotiri. I understand that 114 migrants arrived and have been accommodated overnight within the sovereign air base, where military personnel have provided them with food, water and bedding. There are 67 men, 19 women and 28 children, and they are being assessed by medical personnel. I am sure everyone will welcome the fact that they have already been found to be fit and well. We are grateful to the Republic of Cyprus for agreeing to process all asylum claims through its system. That process began yesterday morning and will be continued as rapidly as possible. Further details will be provided when appropriate. The nationalities of those in the group will be confirmed only as they are processed by Republic of Cyprus officials, but we believe them to be a mix of Syrian, Palestinian and Lebanese nationals.

I cannot give my hon. Friend any specific information on what naval intervention took place. I do not believe that the operations of HMS Richmond or HMS Enterprise were affected by the arrival of those people in Cyprus, but I will confirm that to him in writing.

Bob Stewart: There is a very small patrol vessel at the mole at RAF Akrotiri, but it does not go out very often and it has a very small crew.

Mr Dunne: I am grateful to my hon. Friend for informing the House of those facts, based on his deep experience of our capabilities.

My hon. Friend the Member for Eddisbury (Antoinette Sandbach) is already proving to be a doughty champion for Cheshire, my neighbouring county. I am always pleased to see people standing up for Cheshire. She has also given tremendous support to the armed forces since arriving in House. I applaud her for that and support her efforts. She drew attention to the contribution that defence makes to the prosperity of the nation, which I touched on earlier. She is absolutely right about the skills that defence is able to provide to our people. We are the largest employer of young people coming out of college or school into an engineering trade. We are also the largest provider of apprenticeship programmes in the country and the largest provider of skilled employees back into the civilian workforce, once military careers come to an end. We therefore play an enormous role, which needs to be more widely acknowledged, in helping to upskill our nation.

My hon. Friend the Member for North West Norfolk (Mr Bellingham) explained the significance to defence of RAF Marham in Norfolk, as the home of the Tornado squadron, including 31 Squadron, with which, as we discovered, his father served. RAF Marham will become the home of the squadron for the new F-25B joint strike fighter, Lightning II, when it is stood up. He spoke

[Mr Dunne]

powerfully of the role of international development aid as a pump primer for trade to help recipient countries to emerge into self-sufficiency.

I would like to dwell for a moment on the mutually supportive role that humanitarian aid spending can play to help to keep this country and its citizens secure. With the present conflicts in the middle and near east, the United Kingdom is able to use the aid budget, through DFID, to provide vital humanitarian assistance. As hon. Friends are aware, refugees from the Syrian civil war have received £1.1 billion from the United Kingdom. We are the largest donor outside of the US to those suffering from this appalling civil war, and in Yemen we are the fourth largest donor, which is not quite so well known, following the US and regional donors. We have pledged £75 million to humanitarian relief stemming from the civil war in that country. There is therefore a vital role for us to play as a nation, and the pledge to contribute 0.7% of GNI—which I will come to later and which is used to help refugees in those places—helps us as a nation to remain more secure, so in my mind there is a clear linkage between these two pledges.

My hon. Friend the Member for Gainsborough spoke movingly of the role of defence in our midst, especially in his county of Lincolnshire. RAF Scampton is of course the home of the Red Arrows, who play such a vital role in promoting the air force and will, I believe, play a part in welcoming the Prime Minister of India on his visit, which will be exciting to watch. Lincolnshire is also, as he told us, home to RAF Coningsby, one of the three operating bases for combat jets across the UK, and RAF Waddington, the operating base for our ISTAR—information, surveillance, target acquisition and reconnaissance—assets, or at least it will be again, once its runway has been resurfaced, which is under way at the moment.

As a former Chairman of the Public Accounts Committee, my hon. Friend spoke knowledgeably about the risks to good government of ring-fencing, as we have discussed. He also raised the problem of target setting, with the attendant risk of skewing procurement, not least given the challenges, which I am grateful to him for acknowledging, that exist in managing such a significant procurement programme as we have in defence.

It was good to welcome my hon. Friend the Member for Congleton (Fiona Bruce) to a defence debate. She acknowledged that she is not an habitual attender, unlike many of the other colleagues who have participated in the debate, and it was refreshing to hear a different approach. She emphasised how the military can and does support humanitarian efforts, often on a cross-government basis, to help other nations in distress. She referenced Sierra Leone and Nepal—I will have something else to say about Sierra Leone in a few minutes. I would like to draw her attention to the role that the military was able to play in bringing relief to the people of the Bahamas earlier this month, when a just-under hurricane strength storm ripped across the islands, causing mudslides and wreaking havoc. As it happens, I was the Minister on duty on the day and was able to authorise the Royal Fleet Auxiliary vessel *Lyme Bay* to go to the assistance

of the people of the Bahamas. It was there for a few days and provided invaluable help to the people of those islands.

My hon. Friend the Member for Torbay (Kevin Foster) started by enlightening the House about his formative—may I say existential?—relationship with the Royal Navy. He welcomed our plans to develop new capabilities for our armed forces, but cautioned us on the importance of avoiding waste and poor decision making in improving our procurement processes. As he has an interest in this, I hope he will take the opportunity to look at what we are doing in our equipment plan, which was published yesterday, and will appreciate what the National Audit Office said—which was little short of praise—for the progress made thus far. We are acutely aware that we cannot rest on our laurels. It is important to continue to bear down on inefficiency.

Kevin Foster: I thank the Minister for his comments. He will be pleased to know that the Public Accounts Committee, of which I am a member, regularly considers these issues. We discussed military flying training recently and have also looked at the forward review and we were pleased to see many of the changes being made.

Mr Dunne: I am grateful for that further endorsement of the progress being made.

Having congratulated the hon. Member for York Central on taking up her new post, I should also take this opportunity to welcome her remarks. For most of what she said, I found we had very little issue between us. It was a particular pleasure to hear her endorsement of the 2% NATO pledge. That is extremely welcome and clears up one of the apparent inconsistencies that have been flying around the media, in connection with a potential lack of support from the Leader of the Opposition for NATO. It is very welcome to hear that that is not the case, and I am sure the whole House will agree that that clarification was useful.

Having referenced the contributions made by hon. Members in general, let me turn to some of the specifics, in particular some of the calculations. Much of the talk in this debate has been about one half of the calculation of 2%. There has been hardly any reference to the denominator, in this case gross domestic product. Members are aware that in this country, thankfully, GDP has been growing faster than in any other G7 nation over the last two years. That is to be welcomed. Of course, each year that GDP grows, more challenges are placed on defence and Government spending as a whole if our spending is not able to grow at the same pace. From a purely arithmetic point of view, it becomes harder for defence to achieve a minimum threshold expressed as a percentage unless we are able to grow in tandem. Under present plans, we are likely to grow, but not at quite such a pace.

There are also changes from time to time in the way GDP is calculated. One important such change took place only last year. That was the result of the European system of national and regular accounts—ESA 2010, as it is known—which gives guidance on standardising public finance accounts across the European Union. Major differences to the way GDP is calculated include ESA 2010 counting weapons expenditure and R and D spend as capital spend, as well as including non-profit organisations that serve households and—this is a

particularly big one that affected the UK—the proceeds from what used to be called the black economy, but is now, I gather, called the underground economy, such as illegal activities, including prostitution and drug dealing. When we add the apparent proceeds from prostitution and drug dealing to GDP, it makes achieving the target that much more difficult, with of course no cash consequence whatever.

We adopted the new accounting methods to bring the country into line with other EU members. This initially added £43 billion to the UK GDP, following the re-evaluation—the equivalent of a 3.6% average increase in GDP, which was subsequently revised upwards, to 4.1%. Those changes will make the difficult task of meeting the NATO guideline of spending 2% of GDP on defence even more of a challenge, and the impact of the change in the GDP denominator has been estimated as a 0.09%—so almost 1%—reduction in the defence calculation for zero cash effect.

Article 3 of NATO's founding charter states:

“In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack”.

Like any insurance policy, defence only pays out when you pay in. Some hon. Members mentioned the contribution that the United States makes financially to the NATO alliance and the increasing dependence that we have on it. We cannot expect US taxpayers to go on picking up the security cheque so that nations on the European side of the Atlantic can prioritise social welfare spending when the threats are on our doorstep, especially at a time when the US is under increasing pressure to meet its own debt reduction targets and is pivoting to face new threats in the Asia Pacific region. Moreover, the combined wealth of the non-US allies, measured in GDP, exceeds that of the United States.

Non-US allies together spend less than half of what the United States spends on defence, and the gap between defence spending in the United States compared to Canada and European members combined has increased since 9/11. Today, the volume of US defence expenditure effectively represents 73% of the defence spending of the alliance as a whole. So there is an over-reliance by the alliance as a whole on the United States for the provision of essential capabilities, especially when it comes to intelligence, surveillance and reconnaissance; air-to-air refuelling; ballistic missile defence; and airborne electronic warfare.

As it always has done in the past, the UK is once more taking the lead in turning NATO around. That is why we have committed to the readiness action plan. That is why we are playing a significant role in NATO assurance measures, protecting Baltic skies from Russian aggression and joining the transatlantic capability enhancement and training initiative, alongside the US and—yes—Germany, to offer reassurance to our allies and help to build regional capacity and capability. That is also why we are also a framework nation for the Very High Readiness Joint Task Force (Land) Brigade and are committed to providing it with thousands of troops a year. In fact, the Spearhead Force, as it will be known—a rather more useful short name than the usual military acronym—is currently being put through its paces in Exercise Trident Juncture before it goes operational

next year. The UK is committing some 2,800 personnel including an Army Brigade Headquarters and Battlegroup, three Royal Navy warships and aircraft, including Typhoon fighter jets and helicopters, to those manoeuvres.

Above all, our leadership in NATO is illustrated by the fact that we are prepared to put our money where our mouth is. We have a budget of £35 billion, the second largest defence expenditure in the alliance. We are one of those five nations projected to spend 2% of GDP on defence in 2015, and the Chancellor has made the commitment to spend 2% of GDP on defence for every year of this decade. Make no mistake: our allies appreciate our efforts. It has been suggested in this debate that unless the Bill proceeds we will suffer opprobrium from some of our main NATO allies. I am afraid that hon. Members are misguided, because our principal allies in NATO have expressed on several occasions their pleasure that we are taking that lead. Let us not forget that President Obama was first on the phone to the Prime Minister after the Chancellor had made that major spending announcement.

Dr Julian Lewis: I am sure that we all believe the Government entirely when they say that they will stick to the 2% up to the next general election, but can the Minister not see that passing this Bill would make it much harder for any Government of any complexion after the next general election to resile from the minimum spend because the legislation would have to be repealed first? While he is making an excellent case for all the good things that Britain does in NATO, can he assure the House that that case will not take him another hour and 15 minutes to outline, because it would be a terrible shame if we ran out of time before we had an opportunity to see whether the House wants the Bill to go into Committee?

Mr Dunne: My hon. Friend will be relieved to hear that, as someone once said, I am beginning to come to the end of my preliminary remarks.

I was just alerting the House to the confidence that the United States has in the measures that we have announced. I found that out for myself when I visited Washington in July, as the first Defence Minister to do so after the confirmation of our 2% commitment. I met Deputy Secretary Bob Work, who was effusive in his praise of the United Kingdom and the way we are showing such strong leadership within NATO and among its allies. When Defence Secretary Ash Carter was here at Lancaster House just two weeks ago, he pointed out that our Secretary of State was the first counterpart he had hosted in the Pentagon since his appointment, and added that

“that was only fitting given the special relationship our nations share. Simply put the United States have no closer allies and friend than the United Kingdom.”

Our actions have drawn wider praise, not least from the NATO Secretary General who commended us for a

“Great example of leadership within the Alliance”.

But this is not just about what we spend: it is about what we spend the money on. When nations fail to spend more than 20% of their defence funding on new technologies, they run the risk of equipment obsolescence and growing capability and interoperability gaps, as well as a weakening of Europe's defence industrial and technological base.

[Mr Dunne]

So at the 2014 summit in Wales, NATO leaders agreed that allies currently spending less than 20% of their annual defence on major equipment will aim to increase this annual investment within a decade. Here, too, we are showing others the way. I am pleased to say that the UK is one of only seven nations expected to meet this guideline by 2015, along with the US, France, Luxembourg—interestingly—and Norway, Turkey and Poland. We are one of only three members meeting both targets alongside the US and, for the first time, Poland.

As part of our spending on equipment, we are also determined to help NATO meet some of its capability shortfalls. NATO summit members agreed to do that last year when they signed up to the defence planning package. That effectively committed allies to enhancing and reinforcing training and exercises; bolstering their command and control, including for demanding air operations; augmenting their intelligence, surveillance, and reconnaissance; strengthening their cyber-defence; and improving the robustness and readiness of our land forces for both collective defence and crisis response.

There is a third reason why our 2% commitment matters, and it is essentially a corollary of my first two points. Our spending guideline is a vital sign of our intent and a clear message to our adversaries. They need to know that we are determined to stand up to aggression wherever we find it, and our allies need to know that we will stand alongside them, while our armed forces need the confidence to know that they have our wholehearted support and fully funded backing. We will continue providing them with the high-tech kit they need to tackle the dangers to come.

In other words, we need no reminding of the importance of 2%, any more than we need a law to remind us to protect our country and our people. Britain has always historically spent above 2% of GDP on defence. It is something that comes naturally: it is ingrained in our psyche. That was why, when we saw the danger, we acted and committed to that spend until the end of this Parliament, despite the predictions of the doubters. That is why a Bill like this is ultimately unnecessary. Why do we seek to spend precious parliamentary time on passing legislation that, in effect, is unnecessary, taking up Members' time in order to commit to something that in practice we already do and will continue to do? We should not forget that Parliament already has the ability to hold the Government of the day to account on defence spending.

Mr Gordon Marsden (Blackpool South) (Lab): The hon. Gentleman is making a very substantial speech; I thought it would be in support of his colleagues, although it now seems otherwise. Far be it from me, a novice in these matters, to intrude on the debate, but does the Minister not recall President Reagan's famous words when asked whether he trusted the Soviets? He said that he trusted the Soviets, but that he worked on the principle of "trust but verify".

Mr Dunne: I am delighted to welcome the hon. Gentleman's intervention, and I am sure his Front-Bench colleague, the hon. Member for York Central will be as pleased to see him here supporting her. I am amused by his reference to what President Reagan said. In answer

to his question, I should say that we are already delivering. It is important that we should deliver in a transparent way and I shall come during my concluding remarks to highlight the visibility of the 2% commitment to NATO and how it is assessed.

The defence budget, alongside other departmental budgets, is already approved by Parliament through the estimates process. I was highlighting some of Parliament's other means of scrutinising defence spending and the proportion of Government revenues spent on defence. The Treasury is content that the estimates process is sufficient for setting in-year budgets. It is our strong view that the Government must safeguard their ability to retain financial flexibility to set forward budgets in line with the policy priorities of the day. The Bill would reduce the financial flexibility available to any Government of the day to set forward budgets in line with policy priorities.

Hon. Members are expecting me to conclude my opening observations. I will cite a quotation from a bit earlier than President Reagan's. Winston Churchill said:

"Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

I shall take a few moments to respond to questions posed by my hon. Friend the Member for Aldershot about definitions. The definitions that we have used to meet our NATO spending commitment are not ours, but NATO's. From time to time, like all member states, we make updates to ensure that we categorise defence spending fully in accordance with NATO's guidelines. That is important, not least because it helps NATO compare like for like across the alliance.

I have touched on two aspects from the summer Budget that will help us meet those targets. The Chancellor announced two increases in defence budgets for the coming years of this Parliament. First, there was the 0.5% real-terms increase each year and secondly the opportunity to bid into a new joint security fund, alongside security agencies, that would reach £1.5 billion in 2019-20. My hon. Friend asked how much of that the MOD could secure to include within the 2% calculation. I am afraid that I cannot give him the answer today, but I can tell him that, as I said in reply to an intervention, the profiling and allocation of the fund are decisions for the SDSR so we will know before too long. However, we will be able to include within the definition the share of the fund secured by defence in our submission to NATO, although we cannot tell what the proportion will be until we know what is in the fund.

Our 2015-16 NATO return included some categories of expenditure that we had not included in previous returns. I should like to address that issue, which goes to the heart of a concern behind the debate today. One of the items was MOD-generated income. I should like to explain what that is. The defence budget, £34.6 billion this year, is provided by the Exchequer to the Department; it is our core budget. In addition to that, the Department has for many years generated income that has not previously been declared to NATO although it is entirely legitimate to declare it because it is extra money spent on defence.

I draw my hon. Friend's attention to the MOD's annual report and accounts; I am sure he is one of the few Members to read it avidly each year. I happen to have the accounts for the year 2014-15 in front of me. In that

year, the MOD generated just over £1.3 billion of its own income, as is clearly shown on page 143, table 6 of the report. That includes, for example, receipts from renting housing out to military personnel. Those living in married quarters pay for that benefit and we use the cash that comes into our coffers to spend on defence outputs. I am sure my hon. Friend would agree that it is legitimate to include that money in our returns to NATO.

Sir Gerald Howarth: I am grateful to my hon. Friend for his reference to the MOD's accounts. He kindly suggested that I might understand those accounts, but I have yet to meet anybody who can, save for Mr James Elder—the only man I know who does. They are the most opaque documents imaginable.

I say with respect to my hon. Friend that the point is that we now classify a number of items as defence expenditure that hitherto we have not. It just happens that, lo and behold, including those items means we meet the 2%. Without them we do not. My hon. Friend owes it to the House to explain why those items have suddenly been included when previously they were not. It might help if he told us when the formula was last changed in that way.

Mr Dunne: I have sympathy with my hon. Friend's comment about the accounts, which are just short of 200 pages long. But there are some helpful guideposts through them—including the photographs, which take up a number of pages; they include an excellent picture of the Red Arrows, which, were he here, my hon. Friend the Member for Gainsborough would surely applaud.

The short answer is that when scrubbing the numbers, as is done from time to time in making declarations, the Department realised that there was a significant gap of billions of pounds between what we spend on defence and what NATO said we spent on defence. We wanted to ensure that we got it right. An exercise was done ahead of this year's submission to NATO on how much genuine cash was paid by the MOD for defence purposes—it is not the same as the amount of money we receive from the Treasury for spending. It is therefore entirely legitimate for us to take the opportunity to take that into account.

Another example from the income category is the £50 million paid by entitled personnel for food. I am sure my hon. Friend has had the opportunity to visit many messes, particularly in the RAF bases he has visited, and that he has enjoyed the food, for which some payment must be made. I suspect that he has often been the guest of the base commander and that he has not personally had to contribute to the MOD's coffers, but personnel routinely contribute. That is hard cash that comes into the Department and is spent. It is entirely appropriate to include income we have generated, which for this year amounted in total to £1.3 billion.

We included other categories of expenditure this year when we did the exercise, one of which is Government cyber-security spending. We decided to include spending on some aspects of our cyber-security in the NATO calculation this year because the MOD is taking a more central role in providing cyber-defence and co-ordinating that work across Government Departments. Another category is those elements of the conflict stability and security fund relating to peacekeeping activities undertaken by the MOD. In 2015-16, that is estimated to be

£400 million. That money is spent by Defence and is therefore eligible. We have also included the costs of defence pensions, because NATO recognises that that is permissible expenditure and other nations include it. That includes the cost of MOD civil servants' pensions—such pensions are part of other nations' calculations. Those are all legitimate expenses and are not a sleight of hand, as has been alleged.

In the same vein, I should like to address hon. Members' concerns that there is a measure of double-counting in the figures for defence and international aid. Just as NATO sets the guidelines for defence spending, so the OECD sets the guidelines for our official development assistance. We adhere to both sets of guidelines. There is a modest measure of overlap between the two, but that is to be expected. As I will go on to explain in my concluding remarks, defence and development are two sides of the same coin.

The second element of my hon. Friend's Bill is his desire to

“make provision for verification that NATO's criteria for defence expenditure are met in calculating the UK's performance against this target”.

I would argue that that, too, is unnecessary.

Mr Peter Bone (Wellingborough) (Con): I have not heard most of the Minister's speech because it has gone on for more than 1 hour and 20 minutes, but the thrust of it is that the Bill is a waste of time because what it proposes is already happening, and we do not want to take up valuable parliamentary time. If we do not want to take up valuable parliamentary time, why is he still wittering on?

Mr Dunne: I am sorry that my hon. Friend regards my speech as a wittering one. He has a remarkably impressive credential in the House. His son is a serving officer—a pilot in the Chinook fleet—whom I had the privilege to meet on a base. I discovered that his father is my hon. Friend, which I had not previously appreciated. He takes a great interest in defence. I am sorry he was unable to be in the Chamber for the earlier parts of my speech with other hon. Members, but he will enjoy listening to me describe the Government's commitment to defence as I continue my remarks on the subject of the verification of NATO figures.

We submit financial data to NATO annually in the form of a detailed, classified financial return. Our NATO returns are independently reviewed and verified by NATO staff, and are peer-reviewed by NATO allies during the defence planning process. That provides independent testing and impartial scrutiny of the UK's plans, and builds confidence among allies that we will do as we say. It is entirely right that NATO and not the UK decides the definitions of defence expenditure. That is the only way to ensure consistency and build relationships across the alliance. Significantly, even if further verification is put in place, any such findings will be irrelevant, because NATO determines what can be counted as defence spending.

I accept that that is not to say that more cannot be done. I remind the House of the defence pledge from which I have quoted. At the NATO summit in Wales, we agreed not only to review national progress annually, but that the scrutiny would come from the very top—from the Heads of Government—at all future summits.

[*Mr Dunne*]

My hon. Friend's suggestion of independent UK verification would merely add yet another administrative step to the process, an example of the creeping red tape that bogs down Departments in the very bureaucracy that he and most other hon. Members on our side of the House are keen to see eliminated. My hon. Friend the Member for Gainsborough, as a former Chairman of the Public Accounts Committee, is right to be concerned that enshrining the pledge in legislation would add to the burden of red tape that the Government are seeking to avoid.

Let me turn briefly and almost finally to the question of international aid. It is now becoming far harder to argue that aid does not matter. Globalisation has meant that instability in one part of the world has direct repercussions for us over here, whether in terms of terrorism, mass migration or disease. Whereas defence is essentially reactive, development is proactive. By investing early on, we can avoid counting the cost further down the line, stabilising countries and avoiding the future commitment of our troops.

My hon. Friend the Member for Congleton (Fiona Bruce) highlighted our leading work on Ebola in west Africa, which is an excellent example. We have funded laboratories in Sierra Leone to speed up the time taken to diagnose the disease and to help to stop its spread across the country. We have supported 700 Ebola treatment beds that provide direct medical care for up to 8,800 patients over six months and we are working with communities on new burial practices. Thanks to the pioneering work of the Defence Science and Technology Laboratory, in conjunction with the BBI Group, great British brains developed a rapid Ebola test to aid identification in the field and potentially help minimise the spread of the Ebola virus. I know that my hon. Friend the Member for south-west Wiltshire, who is unfortunately not in his place but was making interventions earlier, is a doughty champion for the work of the DSTL in his constituency.

Sir Gerald Howarth: May I correct my hon. Friend the Minister? I think that he means my hon. Friend the Member for Salisbury (John Glen).

Mr Dunne: I am most grateful. My hon. Friend the Member for Salisbury (John Glen) hosted a visit I paid to DSTL where I met some of the people who had invented the tests that identified Ebola from simple blood samples and were able to rule out up to 20 other diseases with a simple blood test. It was a remarkably efficient and impressive innovation that the military has brought about to the benefit of the civilian population.

The test uses the latest lateral flow technology. We have had some long words already in this debate, and I am now going to use another. The technology is known as lateral flow immunochromatographic assays, to give it its full title, and allows local health teams to complete a test at the bedside without the need for high-tech paraphernalia and yet still get a result within 20 minutes. Aid has not only helped a country tackle a major emergency that put stability at risk but prevented an epidemic from becoming a pandemic that would have threatened our own security.

The MOD has a vital role to play in supporting humanitarian efforts. The cost of conflict stability and security fund programme activities led by the MOD

and security and humanitarian operations that are partly refunded from the DFID budget contribute properly to both the ODA and NATO guidelines. That is why the MOD has typically been funding directly up to £5 million only of ODA-eligible activity each year, including disaster relief training and international capacity building. I, for one, support the international definitions of ODA-eligible spending but we need to consider them. I know that the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), who is sitting on the Front Bench, has been doing that to ensure that they accurately reflect the role of Government today. The guidelines were drawn up nearly 50 years ago and it is appropriate that they should be reviewed from time to time, because there might well be other areas in which it is entirely permissible and appropriate for other Departments' spending to be included in the effort.

I know that some Members remain concerned about the apparent disparity between our approach to defence and our approach to official development assistance, given that we have enshrined the 0.7% of gross national income commitment in law. But I believe that we are talking about a very different set of circumstances when considering whether to put my hon. Friend's Bill into law. We have always met our 2% defence guideline and we have never needed the stimulus of legislative requirement to do so, yet the UK only met the 0.7% target for the first time two years ago. My hon. Friend the Member for Shipley (Philip Davies) made a brief intervention earlier—most unusually, he seemed to be present only for breakfast on this sitting Friday, although he is normally such an assiduous attender at our sittings on Fridays. He pointed out that the 0.7% international development target had been met prior to the legislation being concluded earlier this year. He is correct, but that was only after a very considerable increase in funding during the coalition Government, and throughout the 1980s and 1990s this spending was at about half the current level.

Dr Lewis: I am grateful to the Minister for giving way, especially as I know how keen he is to get through the rest of his comments rapidly. However, I think his argument is the reverse of the truth. The difficulty with putting into law something that was a target that we had to strain to meet was the danger that having put it into law, we would end up having to make inappropriate expenditure in order to fulfil the commitment in law, whereas that does not apply to this objective. As there is and should never be any question of us dipping below the 2%, we will not have to distort our spending; we will just be giving the assurance that we need to give to the country and to our allies that we will never fall below the 2% minimum, and it is strange that there was ever any doubt that we would.

Mr Dunne: I do not think there was doubt that we would, other than in the minds of those who seek to find fault. We are not striving to achieve the number by fiddling the figures. I have gone through the re-assessment that we undertook to the spending that we are making, and we are meeting the commitment this year and for the rest of the Parliament.

Dr Lewis: I am very sorry that the Minister doubts the account that I gave him in my contribution to the debate earlier, when I said that by asking the Prime Minister whether we would always meet the 2% as long

as he was in office, I was not casting doubt at all. I was expecting him freely and readily to say yes, of course we would, and he did not. That is why the doubt crept in.

Mr Dunne: It is not for me to intervene between the Chairman of the Select Committee and the Prime Minister in their interpretations of meeting 2% or not, so I will not be tempted to carry on this debate. I am anxious to reach the end of my remarks and I am nearly there.

In the case of the international development commitment, the legislation became a mechanism to ensure that ODA spending was as consistent as defence spending, so the legislation should not be considered as a precedent for other areas of spending. Other ring-fenced budgets, such as for health and education, are not enshrined in law. It is worth making the rather obvious point that NATO's calculation of our 2% of GDP is a much more significant amount in cash terms, amounting to almost £40 billion, than is 0.7% of GNI, which is just under £14 billion, so the risk to our financial flexibility from enshrining the defence commitment in law is that much greater.

Tying a Government's hands with regard to defence spending, currently the third largest departmental budget in Government, could have unforeseen negative consequences in the future. For example, what if, God forbid, we had another financial crisis and the Government of the day needed to re-order spending priorities? We cannot have national security without economic security, and GDP, as I explained in my earlier remarks, is a flexible friend. It is subject to periodic review and amendment, and only last year, as I discussed earlier, we had the amendment prompted by changes in international accounting rules by the EU.

I am sorry to say that there is only one pot of money. The Government need to make strategic decisions about each Department's budget based on both medium and long-term issues, and based also on the circumstances at the time, not based on legislative rules.

Like my hon. Friend, we strongly believe in the importance of the 2% guideline, but we cannot agree on the means to ensure that it continues. Britain has a long and proud tradition of spending what it needs to on defence. We have always done so, and we have committed to do so until the end of this Government's life. We know what is right, and there is no further need to rubber-stamp our commitment. For those reasons, I have to say that for all his good intentions and noble purpose in proposing this Bill, if he were to press for a vote, the Government would not be able to support him. It would be far better instead to use our time to urge other nations to honour their pledges.

1.45 pm

Sir Gerald Howarth: This has been a very interesting and informative debate. My hon. Friend the Minister gave a most elegant and interesting response, and did so without hesitation, deviation or repetition. *[Interruption.]* I may have heard an honest admission from him that there might just have been a smidgen of repetition. Nevertheless, I have to disappoint him, because unfortunately he has come nowhere near the record of Sir Ivan Lawrence, who spoke on a Bill to impose fluoridisation, or compulsory medication—or “poisoning”, as he put it. When he started, he had notes all the way along the Bench where he was sitting. He carried on through the night, as we

used to do in those days, and ended up at breakfast time. I am afraid that my hon. Friend has a long way to go in his eloquence in order to break that record.

I am most grateful to my right hon. and hon. Friends for their contributions. I will not repeat them because the Minister encapsulated them superbly. My hon. Friend the Member for Eddisbury (Antoinette Sandbach) told us about her own personal background and the role played by the British forces in the liberation of the Netherlands. One of the things that for ever cemented the relationship between the United Kingdom and the Netherlands was the liberation of that country by our forces. In having her here, we are the beneficiaries of that liberation.

I thank my hon. Friend the Member for Torbay (Kevin Foster) for pointing out that one of the purposes of the Bill is to ensure that while no Parliament can bind its successor, it nevertheless sends a message that this commitment would be more difficult for a future Government to unwind.

That brings me to the hon. Member for York Central (Rachael Maskell), who spoke on behalf of the official Opposition—for she is the official Opposition. She should not allow some people who are not here today to claim that they are the official Opposition, because the Scot Nats are not the official Opposition—she is. For as long as Labour's policy is as she enunciated it today, we should be okay—but who knows? We cannot predict the future.

I am particularly grateful to the Chairman of the Committee, my right hon. Friend the Member for New Forest East (Dr Lewis). This House voted overwhelmingly for him to become Chairman. He is hugely knowledgeable in these matters and has a reputation for forensic analysis.

The Minister is a great friend of mine, and I very much appreciate what he said. I must say, though, that I had no idea the EU had produced some kind of new GDP calculator. Why were we not told? *[Interruption.]* He says from a sedentary position that we were. I have seen no briefing anywhere indicating that there has been any such change. He was also unable to say whether we had adjusted this formula in the past. I hope that we will not be adjusting it again in future.

What it comes down to is this: we are all agreed. Nobody in this House today has opposed the idea that this nation needs to spend a minimum of 2% of GDP on defence. We are on common ground, and even the hon. Member for Blackpool South (Mr Marsden), who is nodding, is in that camp. The only difference is that every Conservative Member who has spoken in this debate seeks to enshrine that commitment in law. We do not believe that the Government are sending the right signal by saying that they are prepared to enshrine in law a commitment of 0.7% to overseas aid, but that they are not prepared to do that for defence.

My hon. Friend the Minister suggests that passing this Bill would somehow restrict the Treasury's budget flexibility, but perhaps some thought should have been given to that argument when previous commitments were made to the overseas aid Bill.

My hon. Friend also said that the United States commends us for the work we have done. That is good news, because when I visited Washington last year the US was hugely concerned about Britain's perceived lack of commitment to defence spending. I hear what my

[*Sir Gerald Howarth*]

hon. Friend says about Ash Carter, who is proving to be a very good Secretary of Defence and I hope the United States will stick with him.

The reason I am going to press the Bill is not just that, as my hon. Friend the Minister was kind enough to say—and I really appreciate this—I am absolutely committed to the defence of the realm. I am a conviction politician. I came into Parliament because I passionately believe in my country, and I do so not just because I am the Member of Parliament for the home of the British Army or because I was commissioned in the Royal Air Force Volunteer Reserve. I believe with every fibre of my being that we are in a dangerous world. We want to contribute something to make it a better place, and nothing leverages influence in this world as much as defence.

That is why it is imperative that the Government show their commitment to supporting my Bill. I am disappointed that they are not doing so and I will rest my case on what the Minister said. He said that 2% is a sign of our intent. I could not agree with him more. My Bill reinforces that intent with vigour and it should be read a second time.

Question put, That the Bill be read a Second time.

The House proceeded to a Division.

Madam Deputy Speaker (Natascha Engel): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 16, Noes 1.

Division No. 88]

[1.52 pm

AYES

Bellingham, Mr Henry
Bruce, Fiona
Davies, Philip
Hollobone, Mr Philip
Holloway, Mr Adam
Howarth, Sir Gerald
Jones, rh Mr David
Leigh, Sir Edward
Lewis, rh Dr Julian
Nokes, Caroline

Pursglove, Tom
Rosindell, Andrew
Sandbach, Antoinette
Spellar, rh Mr John
Stewart, Bob
Tredinnick, David

Tellers for the Ayes:

**Mr Peter Bone and
Kevin Foster**

NOES

Mathias, Dr Tania

**Tellers for the Noes:
Jackie Doyle-Price and
George Hollingbery**

The Deputy Speaker declared that the Question was not decided because fewer than 40 Members had taken part in the Division (Standing Order No. 41).

Sir Gerald Howarth: On a point of order, Madam Deputy Speaker. I heard the Minister say a few moments ago that the Government were opposed to my Bill. I therefore find it slightly surprising that no members of the Government were in the No Lobby. I wondered whether I should take it as a good omen that between my calling for a vote and your calling the Division, the Government had a change of heart and really wish to support my Bill, but were a little reluctant to say so. I hope that means that my Bill can be brought back in a suitable form, and that the Government will accept it in due course.

Madam Deputy Speaker (Natascha Engel): As the hon. Gentleman knows, I am in no position to say whether that assumption is correct. However, just because Members on the Government Benches shouted “No”, that did not oblige them to take part in the vote.

Mr Bone: Further to that point of order, Madam Deputy Speaker. Of course I absolutely understand your ruling. I normally sit behind the Treasury Bench. Is it not extraordinary for a whole row of people in front of me—I think they are collectively called Whips in this House—to scream “No” at the top of their voices but then not go into the No Lobby? That does not seem to be following the convention of the House.

Madam Deputy Speaker: As the hon. Gentleman knows, having received the same advice from the Clerk as I did, it does not have to follow that just because people have shouted “No”, they have to participate in the Division. They cannot vote in the opposite Lobby, but they do not have to participate.

Higher Education (Information) Bill

Second Reading

2.7 pm

Heidi Allen (South Cambridgeshire) (Con): I beg to move, That the Bill be now read a Second time.

I am quite disappointed that the previous debate did not go on longer; I was starting to quite enjoy it. I shall be as brief as I can. I thank my hon. Friend the Minister for Universities and Science and the shadow Minister, the hon. Member for Blackpool South (Mr Marsden), for coming today.

Our higher education institutions are regarded as being among the best in the world. As the MP for South Cambridgeshire, with the University of Cambridge on my doorstep, I am especially aware of that. Cambridge University is at the top of the world rankings, and the higher education sector holds considerable value for individuals, our economy and society as a whole.

Going to university is likely to be the most significant financial decision a young person will make. Many young people rightly believe that a university education can provide them with the knowledge, skills and long-term employment prospects they need to secure their future. Higher education is about fulfilling potential. As the Minister himself said last month:

“Now that we are asking young people to meet more of the costs of their degrees once they are earning, we in turn must do more than ever to ensure they can make well-informed choices, and that the time and money they invest in higher education is well spent.”

This Bill supports that vision. Not only will it empower students through improved choice and raise quality through greater transparency in the system, but it will help institutions meet their legal obligations to provide students with up-front and accurate information about their undergraduate offer. There has never been a more appropriate time for students to demand information about their financial investment in their future.

The higher education sector is a rapidly growing market, and it is adapting and offering students a huge range of options. We have seen it expand from being an elite market for the few to one that caters for anyone with a desire to continue learning. I am probably a member of the last generation that can say, “I was the first person in my family who went to university.”

There are now more providers and courses than ever, and year on year there is a continued rise in full-time undergraduate numbers. More than half a million students started university this September, which is up 3% from last year. The Government have rightly supported the development of that sector to meet the growing aspirations of our young people, economy and society. With the cap on student numbers being lifted this year, more people will be given the opportunity to take a place at university, and there is a greater choice than ever before in the type of provider. That was made possible by supportive regulation and easier access to public funds. It is a vibrant, dynamic marketplace with approximately 130 publicly funded higher education institutions in England, 202 further education colleges, and an estimated 674 privately funded providers that offer undergraduate courses, from locally provided courses to specialist provision.

Research by Which? has found that navigating this increasingly complex landscape can be unnecessarily challenging at what is already a stressful time. Why? Because unlike most large purchases, the right information to make such a decision is not readily available. Students are not able to research key aspects of potential establishments and courses, such as teaching quality or employment prospects, because the information is not there. With hindsight, many students say that they would have conducted more research had they been able to.

Having had to make that choice—dare I say, more than 20 years ago?—I know that choosing the right course will always be complex and difficult. A student will never really know whether they have made the right choice until they spend a week or two on campus, perhaps enter the lecture hall, or even until they have graduated. The case for better information to support student choice has been embraced by the sector and a focus for many years. In 2012, the Higher Education Funding Council for England introduced the key information set that requires all publicly funded institutions to provide—as part of their funding agreements—a set of 20 pieces of comparable information about their undergraduate courses. That was an important first step to filling that need for information at a crucial point in the decision-making process, but it is just a first step.

The Bill aims to move that work forward by reforming and raising the status of the key information set, which many in the sector believe is required. It is sensible that all institutions—whether publicly funded or private providers—should be included, and required to provide the same information in the same format to one body, so that prospective students have a full picture of the whole UK education system and what it has to offer.

The Government see value in that. From 2016-17, alternative providers of higher education will be required to provide that key information set data across all their courses. Being able to compare options on a like-for-like basis will increase choice for students and level the playing field for providers. In such a transparent environment the best will flourish, which can only help to maintain our standing as a global leader in higher education.

A Which? investigation published today looked at a third of our universities over two weeks in September this year. It discovered that three quarters—76%—of universities are breaching consumer law by failing to provide prospective students with vital information. Three universities were consistently adopting unlawful practices. How many prospective students about to make that financial decision would be shocked by that? With UCAS applications open for 2016-17, and students having researched their courses and potential choices since the summer, it is shocking that around two-thirds of institutions fail to provide students with up-to-date information on course fees, and that four in five do not state or provide clarity on extra fees that students may have to pay to complete their courses.

Students have a right to know exactly what they are committing to and paying for when they go to university, before they sign up to a course. Universities are still struggling to meet their legal obligations in that area, and the Bill will help them to become more compliant by including some of the key material information that they are required to provide.

[Heidi Allen]

Currently, there is an overreliance on information that is not always pertinent or useful. League tables based on research excellence, student satisfaction surveys and an institution's historic reputation, while providing an insight into life at university, do not always lead to the selection of the highest quality, or most suitable, course to study. To enable potential students to get best value for their investment—because that is what it is—the information provided must be more relevant.

I believe Government has a role to play in empowering students by directing them towards meaningful information at an early stage. Students can then really compare what is on offer and be confident that their decision will best suit their needs, their means, and, ultimately, their future aspirations. How many times have we heard from students picking the wrong course and being disappointed when they cannot find meaningful employment after graduation? Three in 10 students continue to find the information they were given before they started their course to be vague or even misleading. One in three say that, knowing what they know now, they would have chosen a different course.

Under the Bill, much of the information collated will still be included, so it will place no additional burden on our universities. Some information will be replaced with better indicators of quality material information required under law. Overall, however, the amount of information that universities will have to provide will remain the same. In fact, the Bill will help our universities, as it will even out the playing field between publicly funded and alternative providers, and simplify the collection and publication of data through a single body. It will help universities to meet their legal obligations under consumer law to provide material information in a comparable and accessible format to prospective students. Today's report shows just how much that is needed.

As there are legitimate concerns that vital pieces of information are missing from this key information set—a judgment the Competition and Markets Authority also came to in its review of the higher education sector in March earlier this year—greater transparency from providers will see significant benefits for individual students and the sector as a whole. The Bill will help to provide prospective students with information on their whole journey through higher education, answering key questions that every young person making this decision can have answered and comparing them across institutions. What will it cost me? What will the course be like when I get there? Who will I be taught by? How will I be assessed? What degree will I have when I leave? Perhaps most importantly of all: what can I expect to earn in the long term?

What will the Bill cost universities and higher education establishments? The key information set currently contains information on fees, but not the wider costs associated with a course. The cost of equipment or trips can add hundreds and hundreds of pounds on to a student's already stretched budget, yet students often find out about them only after they have accepted or started a course. The Which? report published today found in its investigation that more than two-thirds of universities are still failing to provide clear and up-to-date free information to prospective students, or clarity on additional

costs. This makes it extremely hard for prospective students to plan their finances effectively before applying and enrolling on a course.

The relationship between a student and a university is complicated. The value of the education is essentially co-produced by both parties. It follows then that from the outset students must have clear information about the expectations placed on them, such as the level of fees and additional costs, the expected workload and assessments to complete, and, in my opinion most importantly, what students can expect to receive from their investment: the qualifications, the staff delivering the learning, the number and type of contact hours, and the qualification they will walk away with after three years. I remember being especially aggrieved at university when I was working 45 hours-plus a week, while some of my fellow students were working less than 15.

There is a real demand from students to have more information about key indicators of quality. That will help them to assess whether a course offered is suitable for their needs and learning styles, is worth a significant investment in terms of time and money, and will equip them for the rigour of their chosen courses. We know that quality can vary widely across institutions, for example, the number and type of contact hours students will receive on a course. Students have expressed concerns about the amount of teaching and level of demand on a course when they get to university. Where students receive less hours of teaching time a week, they are more likely to say their course was poor value for money—and they would be right.

The Bill will also help to make available to students comparable information about long-term employability prospects and the average salary for graduates one, four and eight years after leaving university. It is of course true that going to university is more than how much money one can make at the end of it, but employability is still ranked highly in students' considerations. At 17, a young person can make life-determining decisions when choosing a career path, whether that be as a lawyer, accountant or software developer. It is easy to find out how long it will take to study, train and qualify, but often little information is available as to where that path will lead them.

This Bill will enable more informed choices to drive up quality in a rapidly expanding sector, while strengthening the relationship between student and institution. This Bill will help to fulfil the potential of UK universities, students, their future and the British economy. I submit my Bill to the House.

2.20 pm

Mr Gordon Marsden (Blackpool South) (Lab): I congratulate the hon. Member for South Cambridgeshire (Heidi Allen) on her success in presenting her Bill to us today. It has clearly been her week. Having polished off the Treasury in our debates earlier in the week, she now rightly turns her attention to the higher education sector.

There is a wealth of focus in everything she has said on the issue of empowering young people with information and data. That will not only help them to make the right decision but drive efficiency in the sector and focus its institutions on those parts of their services that they can improve.

The hon. Lady has made some excellent points about the timeliness of information, the area of competence of the information and the relevance of the information to young people, not just before they come into university or higher education, but subsequently on their courses.

The Bill suggests that the collection of information for prospective students should be focused on one designated body. Currently, the Higher Education Statistics Agency, the Universities and Colleges Admissions Service and the Student Loans Company all collect different data on universities from degree outcomes to admissions statistics for student support. If the Minister has time, perhaps he will say whether the Government have given any thought to which organisation might be charged with taking responsibility in respect of the Bill.

The introduction in 2011 of the key information set—KIS—required all publicly funded universities to provide data on topics such as degree results, employment outcomes, student demography and staffing. This work is also used to inform Government funding and regulation decisions. Can the Minister assure me that providing information for student choice is a key concern of this agency which will not be relegated behind internal decision-making?

Some 11% of higher education provision is now delivered in the further education sector. Information to aid students of all ages to make informed choices is possible in a sector that has the ability to expand its coverage as long as it is not significantly restricted in the spending review. That could benefit many students who want to study nearer to home.

I know that the Higher Education Funding Council for England is currently undertaking a consultation into how the KIS data can be improved. Will the Minister ensure that the evidence provided by the hon. Lady today will be included in the work on this consultation? Is it not important for the Government to reach out proactively to the range of university groups and other stakeholders who have shown their desire to engage positively with increasing information to students, but who have raised their concerns that the current data set is not capturing the real student experience?

The provisions in the Bill refer, of course, to providers of a first degree course, but the Minister will be aware that higher qualifications such as Masters courses and PhDs are increasingly seen as a necessary part of progression for many young people. Will he commit in his response to putting the same focus on transparency and comprehensive qualifications in those areas as much as for first degree courses.

We must not lose sight of the fact that it is not enough for an arm's length body of whatever nature, or even the Government, simply to collect and publish data. The age range of the group of young people who might be interested in going into higher education and the information they need to guide them through that process varies, but all research and evidence suggests that the age range for which important decisions could be made commences earlier than is often thought. That needs to be taken into account before making any move in the direction that the hon. Lady has highlighted today.

To look at the collection of information without broader access to information advice and guidance is to talk of Hamlet without the play. If the Minister and the Government recognise the value of collecting better

data in the form suggested by the hon. Lady, it is really important that information, advice and guidance is of a sufficient quality. Perhaps he could talk to his colleagues in the Department for Education about some of the problems that have affected career services in that respect.

Whoever administers the provisions of a one-stop, one-shop database, it would be a useful contribution to the objective to ensure that the relevant body is recognised by the Government and all key stakeholders as authoritative and impartial. I am sure that that is what the hon. Lady has in mind. However, if that is not matched by a substantial and substantive provision of information, advice and guidance from the Government—whether national or local—young people will not receive the three-dimensional assistance which I am sure the hon. Lady would welcome.

2.25 pm

The Minister for Universities and Science (Joseph Johnson): I congratulate my hon. Friend the Member for South Cambridgeshire (Heidi Allen) on securing a place in the ballot, and thank her for her efforts in championing this important issue. I also thank Which? for its support for the goals of the Bill.

We have a world-class higher education system, and more new providers have entered the sector in the last five years than at any time since the big 1992 expansion. Allowing new entrants is part of our approach to creating a diverse and healthy market in which competition can drive up quality and deliver value to students, but a healthy market requires well-informed consumers. Applicants need to know what they can expect from a particular course, and be able to compare institutions across a wide range of criteria. Much information is already available, but the whole sector needs to go further. Improved information also needs to be supported by a regulatory framework that puts students at the heart of the system.

The Bill addresses many key issues, and I shall come on to say more about the type of information that students want. We know that information about what they can expect from university is crucial to young people who are making life-changing decisions. We recognise that higher education is not the only option for them, and that it is therefore essential for them to have the best information and support available so that they can make those huge decisions. If they are to make the best possible choices about where and what to study, individuals need access to robust, timely and objective information about the quality of teaching that they are likely to experience, and what it is likely to mean for their future employment.

As my hon. Friend rightly pointed out, league tables are not always an accurate reflection of the quality of education that is provided in a specific course. We also know that students require a wider range of information on such matters as course quality, teaching intensity, contact hours and the cost of living, all of which are relevant to them. Information from the National Student Survey—involving about 300,000 final-year undergraduates each year since 2004—and the annual Higher Education Policy Institute surveys, undertaken with the Higher Education Academy, provide some insight. Clear priorities for university students were more hours of teaching, smaller teaching groups and better learning facilities, but there is little information for them on such matters.

[Joseph Johnson]

Some 75% thought that they probably, or definitely, did not have enough information about the way in which tuition fees are spent.

The National Student Survey records scores for assessment and feedback, which have traditionally been the area of student experience with the lowest satisfaction levels. Following focused effort by providers, the level is now running at 74%, up from 64% in 2008. However, one third of undergraduates paying higher fees in England believe that their course represents very poor, or poor, value for money.

As part of our drive for more transparency and better value for money for students, we are developing a teaching excellence framework. As we have already announced, we will set out our proposals in a Green Paper later in the autumn. That will help students to make good choices, and to have ready access to transparent information. We believe that the framework—as promised in our manifesto—will act as a driver of increasing quality by enabling students to make more informed choices on the basis of better information about teaching quality and outcomes, and incentivising the sector in respect of teaching excellence.

Heidi Allen: Will the Minister give way?

Joseph Johnson: I want first to deal with the substance of the Bill, so that my hon. Friend will have the satisfaction of knowing the Government's position.

While I support the spirit behind this well-intentioned Bill, I do not believe that it is the best way in which to achieve our objectives on behalf of students, or to provide them with the increased information on higher education that they need. We do not think it appropriate to put into legislation detailed data requirements which, by their very nature, would frequently be subject to change to reflect adaptations and improvements in the sector. We believe that our forthcoming proposals on the teaching excellence framework will address our objectives in a holistic way and tackle the range of issues that my hon. Friend has rightly raised, including the need for transparency in the sector and the rights of

students and consumers to improve their overall experience. Indeed, Universities UK has stated in its briefing note for this Bill that the teaching excellence framework will be a vehicle for introducing many of those measures.

Before I go into the detail, I shall set out the existing work we have done on student information. But first, I will happily give way to my hon. Friend.

Heidi Allen: What reassurance can the Minister give me—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 30 October.

Business without Debate

EU MEMBERSHIP (AUDIT OF COSTS AND BENEFITS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 26 February 2016.

PARKS AND PLAYING FIELDS IN PUBLIC OWNERSHIP (PROTECTION FROM SALE) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 February 2016.

REPRESENTATION OF THE PEOPLE (YOUNG PERSONS' ENFRANCHISEMENT AND EDUCATION) BILL

Resumption of adjourned debate on Question (11 September), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 20 November.

Local Flooding

Motion made, and Question proposed, That this House do now adjourn.—(*Sarah Newton.*)

2.31 pm

Kwasi Kwarteng (Spelthorne) (Con): I am grateful for this opportunity to raise this important issue today. The floods during the winter of 2013-14 had an immeasurable impact on my constituency, and resulted in many cases of hardship and, I regret to say, a tragic fatality. Seven-year-old Zane Gbangbola died during the floods in February 2014, in tragic circumstances that have still not been explained. It is important to remember that those tragic events took place not in another country but here in Britain, very close to home.

Today, I want to raise the issue of local flooding and the wider question of responsibility for the maintenance of key parts of the infrastructure. I also want to talk about the frustration of many residents at the fact that none of the various bodies involved—local government, borough councils, the Environment Agency, the water companies—seems to be able to take full responsibility for the damage that has been caused by a lack of maintenance and a lack of care towards key bits of infrastructure.

Anyone in my constituency who lives near the river will have to deal with the bewildering array of bodies, in the public and private sectors, that claim some share of authority in the maintenance of key bits of infrastructure relating to water and the environment. I want to stress how confusing it was for the private residents who were facing appalling circumstances in their own homes during those winter floods.

Dr Tania Mathias (Twickenham) (Con): I congratulate my hon. Friend on securing this incredibly important debate. I have the greatest sympathy for the family of his constituent who died as a consequence of the flood. I agree with him when he says that those bodies do not communicate with each other, and that our residents are utterly confused. I appreciate that Spelthorne suffered a lot of flooding. I live almost in the river in Teddington, and as I walked through the flood water, the level was right up to thigh level on my boots. The problem for Teddington is a lack of communication between the Environment Agency and the Port of London Authority. The Thames barrier could go up to protect the tidal area of London, but on the upper reaches of the Thames, the weirs and locks could be opened—

Madam Deputy Speaker (Natascha Engel): Order. The hon. Lady is making a speech. Interventions must be kept to a minimum.

Kwasi Kwarteng: I am grateful to my hon. Friend, representing Twickenham, for articulating the point so well. This is something that cannot be stressed enough: ordinary people going about their business should not be subjected to these extreme circumstances. I fully understand that they could be described as natural events—they are acts of God—but when it comes to responsibility, if there are aqueducts involved, or if there are floodgates or sluice gates that need to open or shut, or if there are drainage systems that are not

working, that is something manmade, for which there should be some accountability or responsibility. That is what this debate is all about.

More specifically, I want to talk about what happened with the flooding of the River Ash, which is one of the main reasons for calling this debate. It would appear that the flooding of the River Ash was aggravated as a consequence of a sluice gate not being shut, and not doing its job of shutting out water after an initial warning was given. The basic contention among residents who were flooded is that, between Saturday 8 February 2014 and Wednesday 12 February, this half-open sluice gate significantly aggravated the flooding. The protocols established after the severe flooding in 2003 firmly stated that the Environment Agency should give authority for Thames Water to shut the sluice gate in such an extreme situation. That should have happened on 8 February, when I believe the warning was given, or at the very latest on the morning of Sunday 9 February.

However, as I said in an Adjournment debate that I secured in May 2014, on the Monday morning the Environment Agency learnt that the gate—sluice gate No. 8—was still not operating. We are led to believe that later that morning, at around 7.35 am, the Environment Agency raised the prospect of calling in the Army to shut the gate. At 10 in the evening, Surrey police informed residents in Greenlands Road and Leacroft, which are residential areas in Staines, to evacuate their homes. That was an extreme outcome. In this day and age, having police telling those living in a highly residential area to evacuate is an extreme occurrence. People should not have to experience that in our country.

I will carry on explaining what happened, but I want to stress that, in many ways, the details are not relevant; or rather, they are relevant, but they raise wider questions—even, one might contend, philosophical questions—about the nature of the responsibility involved.

To resume my story, by 10 pm on Monday 10 February, the situation was serious. The next day, Thames Water, the water company which owned the aqueduct and whose mission it was to keep the infrastructure in good maintenance, sent in contractors with heavy equipment to the sluice gates, which I understand were not working. Only in the early hours of Wednesday 12 February did Thames Water finally close the gate by 1 metre. Once it was closed, the water levels began to recede quickly and on the morning of Thursday 13 February the floodwater had significantly gone.

The facts I have outlined, as I have on previous occasions in the House, are not really what the debate is about. This debate is about a broader question.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): To clarify, I think there is a question of correlation and causation in relation to the statement that my hon. Friend has made. This is a very serious issue, and it is of course true that the floodgate was closed just after midnight on 12 February and that the waters then receded, but I am afraid that we do not have evidence that there is a direct causative relationship between those two things.

Kwasi Kwarteng: I am happy for the Minister, with his usual acuity, to point that out. In many ways, the actual details are neither here nor there. Let me put it in the

[Kwasi Kwarteng]

conditional mood, because the Minister might then be able to understand what I am driving at. If it were the case that that was the cause, who would ultimately bear the responsibility? That is the broader question. We can have debates about causation until we are blue in the face. If we want to be philosophical about it, it is difficult to prove any form of causation, but that is not the question here. The point is that people's homes were affected by an accident that they believe, rightly or wrongly, had something material to do with the maintenance of a key piece of infrastructure.

If it were the case that the sluice gate had not been maintained properly, whose job was it to tell the water company or to enforce a decent degree of maintenance by it? I fully understand that the water company, being a private company, will not put up its hand and say that it was responsible, to the tune of millions of pounds, for all the damage. I understand how corporate life works. What I am interested in finding out—and I still have not had an answer—is who was ultimately responsible for ensuring that that piece of infrastructure was properly maintained. As I have said many times to my constituents, it is not my job as an MP to ascertain the facts: we have other processes for doing that. What I am interested in is the issue of responsibility and accountability that such circumstances raise.

In summary, facts can be disputed. As we have seen in this brief debate, causation can be disputed. But what my constituents and I want to know is that if people have not done their job, in terms of maintaining crucial infrastructure, who takes responsibility? Is it the county council? Does it have ultimate responsibility for ensuring that a sluice gate or any such infrastructure is maintained properly? Is it the water company on whose shoulders responsibility should rest? Is it the Environment Agency? We have seen occasions on which the agency has taken relevant bodies to court. Who should ultimately bear the responsibility? That is my question, and it is important. To my constituents, other hon. Members and me, the question of responsibility remains murky and obscure. We simply do not know who to turn to or where the buck stops. We do not know who is responsible, in the last instance, for ensuring that key bits of infrastructure or equipment are maintained. That is a legitimate question to ask.

It was in that spirit of inquiry that I applied for this debate. The issue is a simple one and we must remember one basic fact: the aqueduct was on private property. The contention is that a piece of infrastructure on that private property was not adequately maintained to do its job. The simple question that follows on from that fact is who is ultimately responsible for that maintenance. I am happy to have expressed my views and those of my constituents in this debate. I thank the Minister for his forbearance and I look forward to his response.

2.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): I thank my hon. Friend the Member for Spelthorne (Kwasi Kwarteng) for raising this incredibly important subject. He is right that two separate issues arise—one of causation and one of the allocation of responsibility. Before we get on to what he described as “philosophical” issues,

I wish to place on record our firm understanding of how serious the issue of flooding is and how devastating it can be for communities. I myself have directly experienced flooding in Cumbria. It is extraordinary that in a country that, compared with others, often seems peaceful and lucky in many ways, flooding is one of those extreme acts of God that impose devastation and loss on families such as cannot be imagined. We take the issue immensely seriously.

The tragedy of what happened in 2013-14 in my hon. Friend's constituency took place in the context of the worst winter for 250 years. During the previously worst floods, in 1953, 307 people died. This time, thank goodness, we were able to forecast the floods more accurately and respond more quickly.

Dr Mathias: The Minister is talking about the history of flooding, which is also of concern to my constituents. The river is like a living being. Over 200 years, man has changed the landscape, most pertinently for Greater London and Spelthorne. There is no overall responsibility for concreted areas and the fact that the river is not allowed to behave as it naturally would. I live in a one-in-20 risk area.

Rory Stewart: My hon. Friend makes a good case and is tempting me towards a different issue. Essentially, rivers have five core functions. They have a function for wildlife—the animals and plants that live in them. Their second function relates to drinking water, while their third is to irrigate farmland and perhaps support large energy-intensive industries. Fourthly, they have a sewerage function, and fifthly they have a leisure function. Those are the river's positive functions.

However, as my hon. Friend pointed out, the river can also function as a destroyer—something that can devastate communities. As my hon. Friend mentioned, in our highly densely populated island rivers are not natural products; particularly as we get closer to London, we see centuries of improvement and control. Nobody in DEFRA or the Environment Agency would suggest for a moment that rivers are purely natural. In fact, the Department and the Environment Agency are about to invest up to £300 million of public money in improvements to the Thames to deal with these issues. At their core is a highly artificial feature—a new canal system to divert the water away.

Before I deal with the general point, let me try to address most directly the question of responsibility raised by my hon. Friend the Member for Spelthorne. There is clearly a major issue. I am very keen to add the Government's condolences in respect of Zane Gbangbola's tragic death. That real tragedy is an example of why it is so important to get these things right.

The simple answer is that Thames Water is wholly responsible for the management of the sluice. The broader context is that the Environment Agency is responsible for taking a strategic overview. We have a particular responsibility, through the Environment Agency, for main rivers. The Thames is a main river and part of the Ash is a main river, although the bit around the sluice gates is not. Surrey County Council is responsible for local flood risk management. The district council can carry out flood risk management works, but Thames Water is wholly responsible for that asset.

I move on to the positive, after which I shall come back to the question of responsibility that my hon. Friend posed later. There is some good news. We have come out of the 2013-14 floods very aware of what happened. There has been a very good section 19 report, which my hon. Friend has certainly read. Surrey County Council was the top beneficiary of the repair and renewal grant. Some 548 properties in Surrey received £2.6 million, which is more than 10% of the total repair and renewal grants for the whole country, reflecting the scale of the suffering in Surrey.

We have a major flood protocol in place that stretches all the way from Maidenhead to Teddington.

Dr Mathias: I want to put it on record that that is highly contentious. People are very concerned about that flood risk management plan.

Rory Stewart: I invite my hon. Friend to explain what worries her about the flood risk management plan.

Dr Mathias: By all means. We are talking about extra cuts, the upper reach of the Thames and the change in the river flow. My constituency is most vulnerable. There are inadequate reservoirs in the area and other engineers say that the Environment Agency is not on top of its job.

Rory Stewart: I had the privilege of visiting the area around Teddington with the Environment Agency two weeks ago. The agency has extremely complex and serious models—geomorphological models—on water movement. We believe that we have one of the best understandings of flood movement and flood forecasting of any country in the world. The River Thames scheme is a £300 million scheme—a staggering sum of money. The Government are contributing £220 million directly to the area stretching down the Thames to Teddington. If my hon. Friend wishes to raise scientific or engineering issues, I am happy for her to do so offline—I am not sure that this is the appropriate debate—but we will provide better flood protection to approximately 15,000 homes and businesses in that area.

Kwasi Kwarteng: My hon. Friend the Member for Twickenham (Dr Mathias) raises interesting issues but, in this debate, I want to stay closely to the issues I have raised. I suspect we may have to have another debate to discuss Department for Environment, Food and Rural Affairs morphological studies.

Rory Stewart: I will take my hon. Friend's invitation and put aside the additional measures that have been put in place. We will have other opportunities to talk about the Flood Re insurance scheme, of which we should be very proud, as he knows. We will have other opportunities to talk about sustainable urban drainage systems—SUDS—which will make a huge difference, and other opportunities to talk about local flood risk management.

Surrey County Council has a good flood risk management strategy. It has published a new draft strategy, which my hon. Friend will have read, as I have, clarifying exactly the issues that interest him, which is the question of who is responsible for managing the risk. We have community flood plans within Spelthorne.

Three are in place—Fordbridge Park, Wheatsheaf Lane and Sunbury Court Island—two are in progress and three more are coming. There will be a severe weather forum on 5 November, which he can attend. It is intended that communities will come forward with their plans and preparations.

My hon. Friend has an important point: it is the case that, in that flood, it does not seem that we can assign total responsibility to that sluice gate. It is not a main river section. Our modelling suggests that the sluice gate is not what led to the flooding in those houses. However, as he has pointed out, regardless of that case, there is an important hypothetical case. What happens if, in future, that sluice gate is genuinely essential to prevent flooding? I absolutely agree that we need to be much better at assigning responsibilities, as the Pitt review pointed out. That is particularly true because the causes of flooding are always complex and interdependent, and there is an enormous number of different people involved. Almost inevitably, we must have a system in which the county council, the district council, highways agencies and the Environment Agency have roles. Thames Water deals with sewerage. In that case, the asset was not primarily a flood asset but an aqueduct and drinking water asset.

As the flooding Minister, I am very aware that ultimately I have the responsibility for this and it is not enough simply to talk about a lot of agencies. We have to be clear about who does what when. My hon. Friend is right that that is particularly the case with what we call third-party assets such as sluices and aqueducts, which are owned and managed by others.

The Flood and Water Management Act 2010 has been a very important step forward in ensuring that we have a clear assignation of responsibilities, but I believe that such events illustrate that we still have more to do, and this is where I concede that my hon. Friend has raised an important point. We still have more to do as we must make it absolutely clear what will happen in such cases not just in Spelthorne but up and down the country. In this case, the Environment Agency is with us at the moment and I have had detailed discussions about Spelthorne with the agency partly as a result of the debate secured by my hon. Friend, so his constituents have reason to be grateful for his work on this.

It appears that we now have a clear protocol in place that sets a defined water level at which the sluice will be brought into operation. That has now been agreed with Thames Water. However, we will look very closely again at that protocol and will take this example as we go up and down the country to ensure that we are not stuck falling between two stools, which is a situation that we are often too close to.

In conclusion, let me express deep sympathy for those affected by flooding and recognise that recovery is a very long process for the people who were evacuated from their homes, who saw prized possessions destroyed and who went through fear and perturbation. In many cases, I have seen houses in Surrey to which people did not return for almost two years after the flooding occurred. They have lived elsewhere and have been through a truly terrible time.

With climate change, it is unfortunately very likely that we will see more of this in the future. The Government are investing unprecedented sums of money and we are putting £2.3 billion in capital investment into flood

[Rory Stewart]

defences over the next six years. We will improve flood protection by 5% and 1,500 homes and businesses in the Thames area will be protected. I must thank the Environment Agency, Surrey County Council, the district council, our professional partners and Thames Water, which has looked closely at the subject.

We should not hide behind legal definitions. The challenge of accountability is absolutely central and we do not want to get into a world in which I perpetually appear here in Parliament saying that causes are very difficult and geomorphology is very difficult. It is easy for us to say, in some peculiar fashion, that these things are not really our responsibility and that even if they

are, closing the sluice gate would not have made a difference, and even if we had wanted to close it perhaps we might not have been able to anyway. Generally, excuse is piled on excuse and we have to get much better at saying “This is the person who is responsible,” and holding them accountable. I pay tribute to my hon. Friend the Member for Spelthorne for raising an issue that will, I hope, benefit not only his constituents but millions of people in the United Kingdom at a time of climate change.

Question put and agreed to.

2.58 pm

House adjourned.

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CONTENTS

Friday 23 October 2015

Defence Expenditure (NATO Target) Bill [Col. 1267]
Motion for Second Reading—(Sir Gerald Howarth)

Higher Education (Information) Bill [Col. 1331]
Motion for Second Reading—(Heidi Allen)

Local Flooding [Col. 1339]
Debate on motion for Adjournment

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
