PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

ENTERPRISE BILL [*LORDS*]

Fifth Sitting

Tuesday 23 February 2016

(Morning)

CONTENTS

Clauses 22 to 31 agreed to, one with amendments.
Adjourned till this day at Two o'clock.

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Saturday 27 February 2016

STRICT ADHERENCE TO THIS ARRANGEMENT WILL GREATLY FACILITATE THE PROMPT PUBLICATION OF THE BOUND VOLUMES OF PROCEEDINGS IN GENERAL COMMITTEES

The Committee consisted of the following Members:

Chairs: † Sir David Amess, Ms Karen Buck

† Argar, Edward *(Charnwood)* (Con)
† Barclay, Stephen *(North East Cambridgeshire)* (Con)
† Bardell, Hannah *(Livingston)* (SNP)
† Brennan, Kevin *(Cardiff West)* (Lab)
† Brown, Alan *(Kilmarnock and Loudoun)* (SNP)
† Churchill, Jo *(Bury St Edmunds)* (Con)
† Creagh, Mary *(Wakefield)* (Lab)
† Esterson, Bill *(Sefton Central)* (Lab)
† Flint, Caroline *(Don Valley)* (Lab)
† Frazer, Lucy *(South East Cambridgeshire)* (Con)
† Howell, John *(Henley)* (Con)
† Lewis, Brandon *(Minister for Housing and Planning)*
† McKinnell, Catherine *(Newcastle upon Tyne North)* (Lab)
† Mackintosh, David *(Northampton South)* (Con)
† Morden, Jessica *(Newport East)* (Lab)
† Pawsey, Mark *(Rugby)* (Con)
† Solloway, Amanda *(Derby North)* (Con)
† Soubry, Anna *(Minister for Small Business, Industry and Enterprise)*

Joanna Welham, *Committee Clerk*

† attended the Committee

Public Bill Committee

Tuesday 23 February 2016

(Morning)

[Sir David Amess *in the Chair*]

Enterprise Bill [*Lords*]

9.25 am

The Chair: Good morning, everyone. I hope that colleagues had a good half term.

Clauses 22 to 24 ordered to stand part of the Bill.

Clause 25

Disclosure of HMRC information in connection with non-domestic rating

Kevin Brennan (Cardiff West) (Lab): I beg to move amendment 95, in clause 25, page 41, line 21, leave out from "to" to end of the subsection and insert—

"(a) a qualifying person for a qualifying purpose;

(b) a ratepayer for a hereditament."

(1A) Information disclosed under subsection (1)(b) may—

(a) be disclosed for the purpose of providing the ratepayer with all information used to assist determination of the valuation of any hereditament for which the ratepayer is responsible for the non-domestic rating liability, and may be retained and used for that purpose, and

(b) include information relating to hereditaments not owned by that ratepayer."

The Chair: With this it will be convenient to discuss the following:

Amendment 100, in clause 25, page 41, line 22, at end insert—

"( ) Regulations shall make provision for the disclosure of information as to the basis of valuation for a hereditament or class of hereditaments sufficient for an estimate to be made of the prospective non-domestic rates yield in connection with a Business Improvement District Scheme."

Amendment 96, in clause 25, page 41, line 33, at end insert—

'( ) an interested person for the purposes of an appeal against an assessment in the rating list;"

Amendment 97, in clause 25, page 42, line 1, at end insert—

"including purposes connected with an appeal against an assessment in the rating list"

Amendment 98, in clause 25, page 42, line 10, at end insert—

""interested person" shall have the same meaning as for the appeal regulations relating to appeals to the Valuation Tribunal for England in force from time to time."

Kevin Brennan: Excitement mounts as we enter the third day of our proceedings and turn to part 6 of the Bill and amendments to clause 25. The common theme of the amendments is exploring the reform of the unwieldy nature of business rates and business rate appeals. How, without compromising fair access to justice, do we discourage appeals that have no chance of getting through and that may clog up the system? I will briefly go through the amendments in this group and I will make some more general points in the clause stand part debate.

The amendments are concerned with the information held by the valuation office and whether that information should be made available to parties that have a genuine interest, namely those whose property is being rated; hence amendments 95, 96, 97 and 98. The amendments would allow ratepayers to seek professional advice, armed with all the relevant facts and figures held by the valuation office. The Government have held a consultation, which started in late October, on the issue of information exchange between ratepayers and the valuation office. Will the Minister enlighten the Committee on the results of that consultation in relation to the group of amendments under discussion?

Amendment 100 covers the access to valuation office information for the billing authority on issues to do with business improvement districts. The local authority needs the information to judge the likely rate yield for a business improvement district in its authority area. In the Lords, Baroness Neville-Rolfe said that she was not aware of any rating issues involving business improvement districts or of any concerns about a lack of information. However, if that information is not commercially sensitive, why not make access to the information available anyway? That would allow a ballpark figure for a potential business improvement district bid to be known up front and could promote the take-up of future bids. I would be grateful for the Minister's response on that.

We understand that the valuation office has a duty to respect commercial confidentiality and to protect the privacy of businesses that have supplied information in good faith. Although we understand the need to respect commercial confidentiality, there must be compromise when limited access to key information held by the valuation office is made available to ratepayers and billing authorities to allow them to fulfil their duties as businesses and public sector organisations. I am interested to hear the Minister's response.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I will deal with amendments 95 to 98, if I may. The Valuation Office Agency collects and holds commercially sensitive data from ratepayers, which it has a legal duty to protect. We understand the need for transparency to enable informed and well-founded rates appeals, but our recent consultation on rates appeals reform under the Bill proposed a check, challenge and appeal system that ensures that ratepayers will get more and better information earlier in the appeals process, while protecting sensitive information from excessive disclosure.

The amendments propose far greater disclosure of information and offer no protection to the ratepayer who provides that sensitive information, which is key to a successful valuation process. Although I understand why the amendments have been tabled, I firmly state that they are disproportionate and do not strike the correct balance between openness and the duty and need to protect privacy.

On amendment 100, I have some experience of BIDs. I do not know whether other Members have experience of them in their constituencies, but I had a BID in mine that did not work out. At the completion of the five-year tenure, the businesses—it should always be the businesses—voted not to have a BID anymore and, properly, have gone down a different route. I know that BIDs can be hugely successful; I have been told by my right hon. Friend the Member for Loughborough (Nicky Morgan) that the BID in her constituency works extremely well. Some are good and some are bad.

The proposals in amendment 100 are not needed and I am not aware of any evidence of anyone having said that they are a good idea. The amendment would require the information underlying valuations to be disclosed to the BID, and I do not think that that is based on any practical need. As we know, BIDs set their levies and collect from businesses based on rateable value information from the local authority that in effect operates the BID and collects the levies. We are not aware that the BIDs want any more information on valuation lists than they already have as they go about their business of setting levies.

The review is primarily within the domain of the Treasury, and I am sure we all look forward, the consultation having concluded, to the Chancellor making any such announcements on reviews as he sees fit and proper in his Budget speech. My views are widely known: I very much hope that someone's rates will no longer go up if they do the right thing and invest in new plant and machinery. That seems perverse, and those of us in the Department for Business, Innovation and Skills continue to make representations to the Chancellor. As Members would expect from our exceedingly good Chancellor of the Exchequer, he is always willing to listen. I am also confident, based on his outstanding track record, that he will, as ever, be on the side of business, as we on the Government Benches always are.

Kevin Brennan: I thank the Minister for her response. I advise her not to have that extra Weetabix before our Committee in future; she needs to pace herself a bit before she reaches her red meat perorations in Committee.

I obviously agree with the Minister's point about plant and machinery. She knows that Her Majesty's Opposition completely agree with that idea, which could be of particular benefit to our steel industry; as we all know, it badly needs that kind of support. I hope we will have opportunities in the near future to press the issue further in Parliament and to discuss our steel industry, its future and the need for the Government to do more to support it. The Minister is very persuasive and influential, so I am totally confident that the Chancellor will announce those exemptions for plant and machinery in the Budget.

The Minister has just said that she is very strongly lobbying the Chancellor—whom she described as "listening"—for this exemption, which she sees as absolutely necessary to business, particularly to industries such as the steel industry. I will put my faith in the Minister as far as that is concerned, and I will not press these amendments to a vote today. I note that the Minister has said on the record how strongly she is lobbying for this exemption on plant and machinery, and I offer her my support on that. I am confident that there will be a result from the Government because it is simply common sense to do what the Minister said.

I take on board the Minister's point about BIDs. That was a probing amendment, and it was useful to hear her views on the variable forms of BIDs and the fact that they can work in some cases, but do not work so well in others. It is worth the Government having on their radar the fact that these sorts of issues around rating could be quite important for BIDs. I note what the Minister said about the broader issues of the consultation, not only the issue of plant and machinery. We can expect to hear from the Chancellor in his Budget statement as to the outcome of that consultation, which Baroness Neville-Rolfe mentioned in the other place. We will obviously be listening very carefully to what the Chancellor has to say when the time comes. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Kevin Brennan: Clause 25 is about the disclosure of information by HMRC in relation to non-domestic rates. It is fairly generally agreed that the business rates system is broken, and probably has been for some time. It needs significant reform. There are an estimated 300,000 appeals in the system, and back in 2013 the Chancellor promised to deal with that backlog.

Businesses need a much better understanding of how their rates are calculated and to be able to be confident that they are paying the correct amount of tax, so that appeals are much less common than they are currently. There is probably broad agreement on that across the House. If businesses had more access to the information, they would be less likely to appeal. It would save time, effort and money all around. A more efficient, fairer and reformed business rates system would enhance the enterprise environment, which is, after all, the purpose of the Bill.

The actual workings and calculation of how the valuation office arrives at its conclusions are not generally available to businesses. The Department for Communities and Local Government and the valuation office have maintained that the information is commercially confidential, and businesses' concerns about the process are very well known. Without access to valuation office information, ratepayers cannot have the confidence that their bill is absolutely correct.

A three-stage process is currently in place, which is overly long. It can take nearly three years before even the first two stages of the process are concluded. That sort of delay harms businesses' cash flow. Under this system, the onus is on the business to prove, with evidence, that the bill is wrong, but they have very limited access to that information. There is no obligation on the valuation office to prove that the information is correct. In other words, in this system the valuation office is both judge and jury in appeal cases, and the appellant has no right to see the evidence used to assess their case.

Valuation tribunal hearings for England will now no longer be free. That represents an additional burden on businesses. Tribunals will listen only to original evidence submitted at the time of the appeal. By the time everything is determined, that evidence could be nearly three years old, as I said earlier. If any new evidence comes to light in the intervening three years, it will be deemed inadmissible. That applies both to the valuation office and to the

[Kevin Brennan]

appellant. It is also proposed that there will no longer be a right of appeal to the upper tribunal on matters other than points of law.

In this system, the valuation office has the monopoly on knowledge and power in terms of business rates and business rates appeals. Those concerns were all raised in the other place when the Bill was discussed there. Another concern was that the proposed challenges to the business rates appeal system will shift the burden of proof even further from the valuation office, which has access to all the relevant information, to the ratepayer, who has no access to it. Will the Minister accept that as a fair assessment of the changes being made?

Checking assessed values will likely become more costly and time-consuming for business. The burden will fall especially on SMEs, which will become increasingly susceptible to the activities of unscrupulous rating advisers. Is it acceptable for the state to impose a significant tax on businesses without any obligation to justify the derivation of that tax liability? I cannot think of any other tax that can be levied where the taxpayer does not understand in detail the basis on which the tax man or woman has calculated the tax due.

The valuation office is currently willing to share rental evidence as part of the procedures leading to a valuation tribunal hearing. Is there any reason why, in principle, that sharing could not be undertaken during the initial check stages? Surely that would make much more sense. The current system forces businesses to overcome many hurdles before they can access that limited information. How do the Government respond to the concerns raised by businesses that they are being given extra burdens rather than relieved of them?

Anna Soubry: I will speak directly to clause 25 and the reasons why I urge everyone to vote for it to stand part of the Bill. Clause 25 removes a major barrier to the efficient system that we all want. The Valuation Office Agency collects information about taxpayers and their properties. That may include plans of a property, details of property use and occupiers' names. By virtue of the Commissioners for Revenue and Customs Act 2005, the VOA may be prevented from sharing certain information with local authorities, which can result in the same property being inspected by both the local authority and the VOA. Clause 25 reduces the burdens for business while protecting taxpayers' information by creating a gateway for the exchange of information between the VOA and local authorities.

Clause 25 inserts new sections into the Local Government Finance Act 1988. New section 63A allows the VOA to share information with local government for business rates purposes, and new section 63B ensures that taxpayers' information is safeguarded, with enforcement penalties for wrongful disclosure of information. New section 63C exempts the information from the Freedom of Information Act 2000, which is consistent with the Commissioners for Revenue and Customs Act 2005. In short, clause 25 will begin to reduce the burden on our businesses, and will make the system better. I am not pretending that it is perfect, but it will certainly make things considerably better.

Question put and agreed to.

Clause 25 accordingly ordered to stand part of the Bill.

Clause 26

ALTERATION OF NON-DOMESTIC RATING LISTS

Amendment made: 10, in clause 26, page 43, line 31, after "English list" insert "or a Welsh list".—*(Anna Soubry.)*

This amendment and amendments 11 to 15 extend the amendments made by clause 26 to section 55 of the Local Government and Finance Act 1988, which currently apply to England only, so that the Welsh Ministers have the same power by regulations to make provision in relation to proposals to alter local or central non-domestic rating lists for Wales.

Kevin Brennan: I beg to move amendment 99, in clause 26, page 43, line 41, at end insert—

"( ) provision for valuation officers to provide such information as to the basis of an assessment to alter or enter a rating assessment in the rating list as shall be sufficient for the ratepayer to understand the underlying valuation evidence;"

The Chair: With this it will be convenient to discuss the following:

Amendment 101, in clause 26, page 43, line 45, at end insert—

"(d) provision for a separate procedure for hereditaments with a rateable value below any threshold set out in regulations;

(e) performance standards for the Valuation Office of Her Majesty's Revenue and Customs and the Valuation Tribunal;

(f) provision for a right to appeal to the Valuation Tribunal if the valuation officer has not given notice of their decision to the person making a proposal for the alteration of the list within 6 months of the proposal being made;

(g) a requirement that the Valuation Tribunal must determine any appeal submitted to it within 12 months of it being made, or within such extended period as may be agreed upon in writing between the appellant and Tribunal."

Amendment 102, in clause 26, page 44, leave out lines 23 to 25.

Amendment 130, in clause 26, page 44, line 25, at end insert—

"(e) about the parties to be included in the appeal, including billing authorities."

This amendment would provide for provision to be made in regulations about participation of billing authorities in the appeals process.

New clause 29—*Alternative dispute resolution: appeals in relation to non-domestic rating list—*

"The Secretary of State may by regulation make provision for a scheme of alternative dispute resolution for the purposes of any appeal against an assessment in the non-domestic rating list."

New clause 30—*Environmental considerations—*

"The Secretary of State shall make provision for a scheme of exclusion from any assessment in the 2017 non-domestic rating list or thereafter of an item of plant or machinery required wholly or mainly by virtue of environmental or health and safety legislation and which does not of itself increase the market value or profitability of the hereditament."

I think that the Opposition were still thinking about whether they wanted to refer to new clause 31 as part of this group.

9.45 am

Kevin Brennan: We will think about new clause 31, although my understanding was that we could not refer to it in this group. In any case, I will refer to the group before us. We are due to discuss new clause 31 on Thursday, and I might make passing reference to it.

Amendment 99 would require valuation officers to provide enough information for businesses to make sense of the underlying reason for their valuation. Amendment 101 is about trying to improve the service of the valuation office by introducing performance standards, appeals where decisions are not timely and time limits on determining appeals, and I would be grateful if the Minister could outline her response to those proposals.

Amendment 102 also deals with appeals. The Bill proposes that a charge be made to a business that puts forward an appeal. This is an enterprise Bill; to add an additional expense to businesses to access a review or appeal at this point in the economic cycle does not seem to be the most enterprising of proposals. As the Minister knows, the international and national markets are volatile at the moment and we are not yet out of the economic danger zone. Placing additional cost on businesses is a threat to recovery and to existing businesses and new start-ups. Why are the Government placing an additional cost burden on business in what they deem to be an enterprise Bill? Amendment 130 includes the billing authority in the appeals process, which seems to be a sensible suggestion.

New clause 29 makes provision for an alternative dispute resolution procedure to cover the work of the valuation office. Does the Minister agree that this is a reasonable proposal? Has any progress been made on the issue since it was raised in the other place, where there was some discussion about an alternative dispute resolution procedure? If the Government are still arguing that existing powers already provide for matters to be refereed for arbitration and that the addition of more processes would complicate and slow down the system, will the Minister agree to a review involving key stakeholders a year or two after implementation, with a view towards full ombudsman status if there are still problems around dispute resolution?

New clause 30 is about plant and machinery that, in this instance, is required for health and safety or environmental reasons. In the Lords Baroness Neville-Rolfe said that the Government were conducting a review of business rates, as we discussed earlier, including the rating of plant and machinery and the roles of reliefs and exemptions. She said that the business rates review was to report by the end of last year. With reference to what we said earlier, will the Minister confirm that the review has concluded and is on the Chancellor's desk? Will she also tell the Committee whether the review will cover our proposal in the new clause, namely plant and machinery specifically required for health and safety or environmental reasons?

Anna Soubry: I do not know whether the hon. Gentleman will press the amendment to a vote. Although he is right that there is nothing wrong in tabling amendments in order to probe and see whether there areas where we agree, there is a real danger that these amendments would undermine the new appeals process by removing features: for example, the power to charge a fee for appeals, the flexibility for timescales to be determined as the new system beds in and the ability to respond quickly to address performance issues.

I am helpfully assisted, as ever, by my hon. Friend the Member for Great Yarmouth, who is also the Minister in the Department for Communities and Local Government, who makes a clear point about why we are so firm in our desire to make these reforms in relation to charging. It is to ensure that people are dissuaded from making spurious claims and that the whole appeal system concentrates on genuine appeals that must be heard. Unfortunately, there is evidence that the system is effectively being somewhat abused. It is also terribly important to add that we have consulted on proposals and discussed them with business groups, and that we continue to take a collaborative approach as we draw up the draft regulations, on which we will consult.

Kevin Brennan: I think that we all accept that we must reduce the number of appeals within the system, but is it not the case—this was the point behind some of our previous amendments—that the current system almost compels people to appeal due to the lack of information available to businesses? In charging fees before reforming that aspect of the system, the Government might be accused of putting the cart before the horse.

Anna Soubry: The danger, as the evidence suggests, is that businesses will just give it a punt. They will be encouraged by people out there saying, "We can reduce your bills if you let us appeal," and will think, "I've got nothing to lose by doing this, so I'll have a go." That is one reason why the system at the moment is indisputably clogged up. I can understand why businesses will say that, but it is not the right way to approach any appeal, in whatever field.

Our other concern about amendment 101 is that it will interfere wrongly with the independence of the judicial body. The amendments will introduce unnecessary and unwanted complications through an alternative dispute resolution mechanism, greater involvement of billing authorities and inappropriate sharing of sensitive ratepayer information, and will pre-empt the outcome of the business rates review by addressing unrelated issues in appeals.

In summary, we have struck the right balance. We are making the necessary reforms, and part of that is ensuring that the appeals that go forward have some substance. The changes will help address that. For those reasons, I oppose the amendments.

Kevin Brennan: I thank the Minister for her response. She is right that we are probing the Government's thinking in our amendments. Not only is that appropriate, it is our duty as Her Majesty's loyal Opposition. It is our duty to probe forensically and in detail, and to press her and the Government if necessary, because that is how we make better law.

The Minister rather dismissed amendment 101. I remind her that the amendment simply says that the valuation office should perform according to performance standards, which I had thought would receive a better response from her. She might have said that there is a better way to achieve performance standards, rather than simply dismissing the idea. Our amendment would hold the valuation office—a public body that determines people's taxation—to better standards for the time that it takes to respond to appeals. It would set a time limit that is not inflexible and that could be varied if there were reasonable grounds for doing so, yet she chose not to respond to the reasonable points made in our amendment.

[Kevin Brennan]

The Minister almost suggested that the amendment simply seeks to add bureaucratic burdens to the system. It does not. It seeks to bring fairness into the system, rebalancing it away from faceless bureaucrats determining people's taxation on the grounds of information that businesses know nothing about and back towards businesses, which are not simply composed of feckless individuals who appeal against their taxation on a whimsical basis but are struggling to get by and face significant tax bills, with no idea how they have been determined. To dismiss it, as the Minister for Housing and Planning did in reported speech via the Minister, as simply being a process by which they have a punt is very unfair to many of those businesses, which are trying to understand whether the tax determination that they face is based on real evidence—evidence to which they have no access.

The Minister for Housing and Planning (Brandon Lewis): I appreciate the hon. Gentleman's generosity in giving way. Does he accept that the point we are making is that currently the vast majority of appeals make no change? That highlights the fact that there are businesses out there—having been in business myself, I remember experiencing this—that specialise in going round small businesses, saying, "For no-win, no-fee, we will put in a claim." Those spurious claims are therefore being put in, and that prevents genuine businesses putting forward genuine claims and getting heard in a quick and efficient manner. The Bill is trying to deal with that by changing the system. I hope that the hon. Gentleman accepts that we are looking to help businesses that have a genuine claim.

Kevin Brennan: I absolutely accept that point and the spirit in which the Minister made his intervention. My point is that that is simply one part of the imbalance in the system. The other part is the lack of information available to businesses on how their business rates are determined. That is a real issue, and we should not just dismiss it simply as inappropriate in terms of commercial confidentiality. Many business organisations believe that more information could be made available to them on how their tax is determined. That would also act as an incentive for spurious appeals not to be made.

All we are arguing with our amendments is for that balance to be in place. I remind the Ministers and all colleagues that amendment 101 would introduce performance standards for the valuation office. We want appeals to be timely and some limit to be set on the amount of time that the valuation office can take on determining those appeals, with some flexibility where it is not possible to meet that time limit for very good reasons. I reiterate that the response to the amendment did not adequately deal with those perfectly reasonable proposals. The Government have not offered another way, other than to impose a fee, of improving the service to businesses provided by the valuation office. I cannot see how our proposals are unreasonable.

As I said at the outset, and being a reasonable person, I will not press the amendment to a vote, because I am all for our trying to work through the issues together, but it is important to put on record that there is a real concern in this area, and it is important that the Government are not seen to be complacent about it. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: 11, in clause 26, page 44, line 5, leave out "Consolidated Fund" and insert "appropriate fund".

This amendment and amendment 14 ensure that, where regulations under section 55 of the Local Government and Finance Act 1988 provide for valuation officers to impose financial penalties regarding the provision of false information in relation to a proposal to alter a Welsh list, the regulations must require the sums received to be paid into the Welsh Consolidated Fund.

Amendment 12, in clause 26, page 44, line 14, after "English list" and insert "or a Welsh list".

See the explanatory statement for amendment 10.

Amendment 13, in clause 26, page 44, line 24, leave out "Consolidated Fund" and insert "appropriate fund".

This amendment and amendment 14 enable regulations under section 55 of the Local Government and Finance Act 1988 to make provision about the payment of fees into the Welsh Consolidated Fund where the fees are paid by ratepayers in relation to appeals relating to proposals to alter a Welsh list.

Amendment 14, in clause 26, page 44, line 27, at end insert—

"( ) After subsection (7A) insert—

(7B) For the purposes of subsections (4B)(b) and (5A)(d) "the appropriate fund" means—

(a) where the provision made by virtue of subsection (4A)(c) or (5) is in relation to a proposal to alter an English list, the Consolidated Fund, and

(b) where the provision made by virtue of subsection (4A)(c) or (5) is in relation to a proposal to alter a Welsh list, the Welsh Consolidated Fund.""

See the explanatory statement for amendments 11 and 13.

Amendment 15, in clause 26, page 44, line 39, at end insert—

""Welsh list" means—

(a) a local non-domestic rating list that has to be compiled for a billing authority in Wales, or

(b) the central non-domestic rating list that has to be compiled for Wales.""

See the explanatory statement for amendment 10.

Amendment 16, in clause 26, page 44, line 47, leave out from "unless" to end of line 48 and insert "—

(a) where those regulations relate to a proposal to alter an English list, a draft of the instrument has been laid before and approved by a resolution of each House of Parliament;

(b) where those regulations relate to a proposal to alter a Welsh list, a draft of the instrument has been laid before and approved by a resolution of the National Assembly for Wales."

This amendment and amendments 17 and 18 provide for regulations made by the Welsh Ministers under section 55 of the Local Government and Finance Act 1988 as amended by amendments 10 to 15 to be subject to procedure before the National Assembly for Wales equivalent to the procedure before Parliament which is required for corresponding regulations made by the Secretary of State under that section.

Amendment 17, in clause 26, page 45, line 2, leave out from "is" to end of line 3 and insert "—

(a) in the case of regulations relating to England, subject to annulment in pursuance of a resolution of either House of Parliament;

(b) in the case of regulations relating to Wales, subject to annulment in pursuance of a resolution of the National Assembly for Wales."

See the explanatory statement for amendment 16.

Amendment 18, in clause 26, page 45, line 3, at end insert—

"(3G) In subsection (3E), "English list" and "Welsh list" have the same meaning as in section 55."—*(Anna Soubry.)*

See the explanatory statement for amendment 16.

Clause 26, as amended, ordered to stand part of the Bill.

Clause 27

ALLOWABLE ASSISTANCE UNDER INDUSTRIAL DEVELOPMENT ACT 1982

Question proposed, That the clause stand part of the Bill.

Kevin Brennan: We may well return to some matters relating to clause 27 if and when we get to new clauses later in our proceedings. We are making good progress this morning, so, who knows, we may well get there on Thursday. In the meantime, will the Minister outline, on the record and for the benefit of the Committee, why the Government believe that clause 27 is necessary?

10 am

Anna Soubry: The Industrial Development Act 1982 is 30 years old, and the Government are updating it to reflect economic developments. The clause amends the threshold before which a parliamentary resolution is needed to authorise financial support under section 8 of the 1982 Act. It increases the threshold from £10 million to £30 million, which is a reflection of inflation. A resolution of the House of Commons would still be required for projects over £30 million. It is a technical change, which will result in more efficient procedures to fund section 8 projects worth under £30 million. This would have removed the need for a resolution, for example, in 2013, when support for the start-up loan scheme was increased from £10 million to £15.5 million. I am not saying that that is a small amount of money—of course it is not—but it is in Government terms. It is simply a reflection of the fact that the provision of £10 million was made all those years ago and here we are in this day and age, when inflation has taken that threshold to £30 million. We say that this is a reasonable thing to do and does not take away power from Parliament that it already has.

Kevin Brennan: I thank the Minister for that explanation. It makes sense to update the limit after such a lengthy period and on that basis we do not intend to divide the Committee on clause stand part.

Question put and agreed to.

Clause 27 accordingly ordered to stand part of the Bill.

Clause 28

GRANTS ETC TOWARDS ELECTRONIC COMMUNICATIONS SERVICES AND NETWORKS

Question proposed, That the clause stand part of the Bill.

Kevin Brennan: I should say from the outset that we also support this clause, but we would like clarification on how, and how often, the Minister expects these powers to be used. I would like to discuss that before we give the clause a fair sending-off. Ensuring adequate infrastructure provision is obviously a very important role of Government. To be slightly controversial—though it is not controversial with Opposition Members—this Government and its coalition predecessors do not have a good record when it comes to infrastructure in general and digital or communications infrastructure in particular. As this week's leader in *The Economist* makes clear, investment in infrastructure is vital to stimulate the long-term health of the economy.

It might look as though this clause represents a "get out of jail free" card for Ministers as regards communications infrastructure. This week a businessman in the north-east told the North East chamber of commerce that he can see his house, with its 50 megabit connection, from his office window; but he has to go home to send important work emails because the business park he works in does not have decent enough broadband.

Ministers have handed hundreds of millions of pounds to BT to roll out what a well-functioning market would potentially have delivered anyway, leaving harder-to-reach communities behind. The result is that we have a superfast broadband roll-out programme that is fragmented and monopolistic and that will be bad for consumer choice, bad for the taxpayer, bad for competition and bad for investment. The Government seem to have realised this and triggered their own Back Benchers, in a classic move, to clamour for the break-up of BT after the Government handed it the monopoly in their bungled procurement programme. Will the Minister assure the Committee that they have learnt lessons from these mistakes about broadband? Are the powers contained in the clause just for Ministers to cover over their own record on broadband roll-out, or will they fit into some kind of strategy and long-term vision for communications infrastructure? Broadband Delivery UK and Ofcom have no plans for broadband roll-out to business parks, meaning that many are being left behind as the Government's superslow broadband roll-out creeps out to residential areas. Will the powers in the clause be used to address what is becoming an increasing problem for firms based in business parks, and what else are the Government planning to do to sort that out?

We have also tabled new clauses that might be debated on Thursday. I hope that between now and then, Ministers will take a good look at them. If they are serious about tackling the issue, I hope that they will support the clauses when we come to discuss them.

Anna Soubry: If I may, I will speak specifically to the clause. If we were to stray into discussion of the successes—there have been many—of the Government's programme to roll out superfast broadband and generally improve access for individuals at home and businesses in a digital age, we could be here for the rest of the morning. We do not mind debating such things, but this is neither the time nor the place to do so; a number of hon. Members, particularly on the Government Benches, might want to make all sorts of contributions to that debate based on their experience and that of their constituents.

We know that there are concerns and that much more needs to be done and will be done. Clause 28 is essentially one of the pieces of the jigsaw. The Industrial Development Act 1982, to which I have referred, is now more than 30 years old, and some parts need updating.

Bill Esterson (Sefton Central) (Lab): The Minister wants to keep us on the clause, but it is actually very wide-ranging. On line 22, proposed new section 13A, "Improvement of electronic communications networks and services etc", says:

[Bill Esterson]

"This section applies if it appears to the Secretary of State that adequate provision has not been made for an area in respect of electronic communications facilities."

My hon. Friend the Member for Cardiff West gave an example, and I have numerous cases in my constituency, as do the Minister's hon. Friends. If not now, when we will address some of those concerns? When will the Secretary of State take the powers given to him in the clause to improve broadband, whether for trade in this country or for the important international trade on which we rely to close the trade deficit and improve prosperity overall?

Anna Soubry: Sorry, Sir David; I was enjoying an interesting piece of information from my hon. Friend the Minister for Housing and Planning. He was telling me, by way of giving an example of the progress that this Government are making on addressing the problem—I am waiting for him to give me a nod before I use these words—that a deal has been struck with the Home Builders Federation that from now on, all new homes will include access to broadband. That is excellent news.

I think that some of us had begun to create the argument that there is nothing to prevent local authorities from making it a condition of granting planning permission, especially to new business estates, that proper access should be included to superfast broadband, mobile phones or whatever it may be. Even if they cannot make it a condition of planning permission—we all know how these things work and the sorts of discussion that developers have with local authorities—those things should absolutely be there. There is a growing feeling that in this modern age, digital technology, superfast broadband and what I call full-fat mobile phone technology should be treated as a fourth utility. If we are making some movement towards that—my hon. Friend the Minister for Housing and Planning might be able to update us—it would be a commendable move.

Brandon Lewis: I thought I would join the gang in mirroring the interventions from those on the Opposition Front Bench. I hope that my right hon. Friend will agree that it is good news that we announced a deal a couple of weeks ago between BT Openreach and the Home Builders Federation. Now, all builders putting in a planning application, particularly small and medium-sized builders, will be encouraged to notify BT. There is now a clear and simple system for them to ensure that every new home built can have access to superfast, or indeed infinity, broadband. All the details are available on the Department for Communities and Local Government website. I hope that my right hon. Friend will agree that it is a big step forward for people across the country who, as she rightly says, now see broadband as one of the most important utilities.

Anna Soubry: That is excellent news. I am sure that all of us will ensure that it is communicated all the way down to our local authorities.

Kevin Brennan: We are enjoying this subject; I think the Minister made a further policy announcement in saying that in future, the Government intended to make it a requirement of planning applications—

Anna Soubry: No. It is my own opinion.

Kevin Brennan: I am sorry; I thought that when Ministers spoke in this place, they spoke on behalf of the Government. Is it the Government's intention, given what the Minister said earlier, to make broadband part of a planning application? Can she clarify that for the Committee?

Anna Soubry: The hon. Gentleman has a remarkable ability to take what I would have thought was the most innocuous of statements and turn it into some sort of great Government policy announcement. He does not understand localism. He thinks that all power must vest here in Parliament, centrally in Whitehall, but one of the great joys of our Government is that we believe in devolving power down to local authorities. All I was saying was that as far as I know, there is nothing to prevent a local authority from making such a condition, whatever the development might be. That is the joy of localism: planning officers can look at an application and say, "Let's make it a condition of this planning application that you provide access to superfast broadband."

What is not to like about that? We do not need the heavy hand of Government for that to happen. Local authorities are to be wildly encouraged to use common sense so that they deliver to householders and businesses the tools that they need in a modern age. That is what I am saying, and I do not think that there is anything contentious about it. I did warn you, Sir David, that if we got into this debate we would be here all day.

Kevin Brennan: But we are going to be here all day.

Anna Soubry: But we are not going to be stuck on this clause all day. This clause is technical and will enable financial assistance to be granted to improve electronic communication networks and services. The power will not and should not be used to displace investment by industry.

Communications infrastructure investment, as we know, continues to grow. I am happy to put it on the record that I have not enjoyed the best of experiences with BT. I was due to meet BT representatives one day, and on that very day BT decided to disconnect my constituency telephone. You couldn't make it up.

Bill Esterson: Surely a coincidence!

Anna Soubry: I hope so. It was not because IPSA had failed to pay my bill; it was because my team had, quite reasonably, asked BT to improve the internet connection, which many of us know is not always the finest. For some reason—BT still has not explained why—in the attempt to improve my internet connection, it disconnected all the phones. Even more bizarrely, although it had taken about five seconds to disconnect them, it took about three days to reconnect them.

Anyway, you see how we drift, Sir David. However, my dear friends at BT are investing £3 billion in deploying fibre broadband. Virgin is investing £3 billion to extend its network footprint from 13 million to 17 million homes by 2020. We know that we must do more, but those are the huge advances being made. Investment by non-major operators such as UK Broadband, Gigaclear, CityFibre and Hyperoptic also plays a valuable role.

The clause is effectively a backstop. It gives Government the option to provide targeted support where it is most needed. That is why I hope that all hon. Members will not hesitate to support it.

Kevin Brennan: That was a surprisingly enjoyable exchange. I think that the Minister both overestimates and underestimates her power. She seems to think that when she says something as a Minister of the Crown, it does not have force. She is here, radiant with the lawful power of her office, so she should not underestimate the effect of her words, particularly in this kind of forum, even when she is expressing personal opinion rather than speaking in her role as Minister. Perhaps the Minister also sometimes overestimates her power in trying to decide whether we are venturing too widely on a clause. Of course, you have the authority and power to decide that, Sir David, and you would quickly call us to order if we were doing so.

This has, however, been a useful exchange. On that basis, having put our points on the record and with the possibility of extending this discussion when we get to the new clauses later on, I do not intend to divide the House over clause stand part.

Question put and agreed to.

Clause 28 accordingly ordered to stand part of the Bill.

Clause 29

UK Government Investments Limited

Question proposed, That the clause stand part of the Bill.

10.15 am

Kevin Brennan: The Government spokesperson in the other place said that the clause

"is an administrative measure to enable the Shareholder Executive's ongoing work to continue after its functions transition to UKGI and ensures that a specific funding power is in place".—[*Official Report, House of Lords,* 30 November 2015; Vol. 767, c. 937.]

A number of questions were raised in the Lords, and I want to give the Minister an opportunity to update the Committee on some of those issues. Will she give us some idea about the combined costs of UK Government Investments and whether there are cost savings as a result of merging the two entities under the clause? Will she give us any information about the status of civil servants if they are recruited to the new body? Will they become agency employees or secondees to the new organisation?

Will all the employees in every part of UKGI be subject to the proposed public sector exit payments that come later in the Bill? I assume that the restrictions under those public sector payments may well apply to the new employees of UKGI, but it would be helpful if the Minister confirmed that. Will guaranteed bonuses be offered to the staff? For higher earners in Government, that is the traditional method of incentive and is currently outside the public sector exit payments provision.

If the permanent secretary to the Treasury is on the board of the new body, how will that role be squared with their role as an accounting officer, given that they will have duties to the company under company law? Is there a conflict of interest, and what will the relationship to Ministers be?

On improving the service to customer departments, what are the current identified weaknesses and how will these arrangements help to improve that? How are the Government going to evaluate the new body's performance in relation to improving the service to its customer departments? What independent body will be charged with evaluating whether it has provided a better service to those customer departments?

I would also be interested to know whether this arrangement has any implications—this is reasonably topical at the moment, given our recent discussions—relating to the requirements of state aid rules and Brussels? Do we need to be aware of any particular interplay here? What would the role of UKGI be in relation to the Department of Energy and Climate Change? That Department is responsible for environmental improvements, so how will it relate to UK Government Investments Limited? Do the Government have any intentions about—or have they given any thought to or had any discussions on—the possible privatisation of the company at some future date? Is that part of the Government's thinking in setting up the body under the Act? I look forward to the Minister's response.

Anna Soubry: I may not be able to answer all the questions that the hon. Gentleman has asked, but I assure you, Sir David, that I will write to him with any answers that I am not able to give today.

Clause 29 ensures that UK Government Investments Limited can carry out its important work, which is managing taxpayer stakes in businesses, running corporate and financial asset sales and providing corporate finance advice across government. The creation of UKGI will bring together the Shareholder Executive from the Department for Business, Innovation and Skills and UK Financial Investments Limited from the Treasury into a single company. I pay tribute to all the members of ShEx whom I have met. It has been a pleasure to work with them. I value the advice they have given me; I know I speak for all Ministers who have come into contact with them. I do not know United Kingdom Financial Investments Limited as well, but I know the Shareholder Executive and it has served me extremely well. I just wanted to record that.

This coming together with respect to Government investments—I do not know what one would actually call it, as it would not be a company; it is indeed a body—will provide corporate finance services across Government. The decision to establish it as an arm's length company will provide it with additional independence and a clear corporate governance structure. Again, it needs to be stressed that ShEx has a level of independence that means that one trusts the advice given.

ShEx operators will transfer out of BIS to UKGI, and ShEx will be rebranded as UKGI. It will continue to offer impartial advice directly to the Secretary of State and to the permanent secretary of the Department. That point is worth mentioning: the advice is given not just to Ministers but to the permanent secretary and civil servants throughout the Department.

From 1 April, UKFI will become a subsidiary company of UKGI, continuing to operate as it currently does until, in time, it fully merges with UKGI. The Chancellor will be the Minister responsible for the company and will bring together expertise from the private sector with that of civil servants. The Government intend that UKGI will be directly funded by its parent Department, HM Treasury. That will enable ongoing ShEx work to continue after it becomes part of UKGI.

[Anna Soubry]

UKGI's arm's length status as a company means that it cannot be directly funded on a continuing basis as an element of administrative expenditure without a specific power. The clause is in line with HM Treasury's manual, "Managing public money", which requires specific statutory authority for significant items of ongoing Government expenditure. Given that the activity and staffing levels of ShEx and UKFI will continue in UKGI, costs for the company are not expected to depart greatly from the current costs, which are about £14 million combined. Of course that may vary, depending on the work that UKGI is asked to perform.

I am confident that I have not answered all the questions, and I apologise for that, but I will write with all the answers.

Kevin Brennan: I thank the Minister, and I appreciate that I asked a lot of questions. I am perfectly content for her to provide us with the answers to all of the unanswered ones via correspondence. I think it is right that the body should be part of the Treasury and it is right to legislate through the clause to give it authority. We will support the clause on that basis.

It would be useful if the Minister answered one of my questions if she can, although if she cannot I accept that. Quite soon we will discuss the UK Green Investment Bank, a Government-created company that has been put out to privatisation. My question is whether there is any intention—I do not think there should be—

Anna Soubry: I have been helpfully advised. I did not think there were any plans for privatisation, and I am more than happy to confirm that. Perhaps I can also add that there are no guaranteed bonuses—they are all performance-based. Any secondments would be on the same terms as the Home Department.

Kevin Brennan: Through that intervention the Minister has helpfully shortened the letter that she will have to write to the Committee. With her assurance on the privatisation question, I am happy, at this point, with the promise of correspondence from the Minister, to allow clause stand part to proceed without any intervention on our part.

Question put and agreed to.

Clause 29 accordingly ordered to stand part of the Bill.

Clause 30

Disposal of Crown's shares in UK Green Investment Bank company

Mary Creagh (Wakefield) (Lab): I beg to move amendment 129, in clause 30, page 48, line 2, at end insert—

"6B Report on remuneration of chair, non-executive directors and executive team

(1) For each year following a disposal of shares held by the Crown in a UK Green Investment Bank company the Secretary of State must lay before Parliament a report on the remuneration of the company's chair, non-executive directors and executive team by the company.

(2) The report shall include a statement of the framework or broad policy for the remuneration of the above individuals.

(3) The report shall include the value of the following, where applicable, in respect of each individual—

(a) salary or fee;

(b) pension;

(c) other cash or non-cash benefits, including bonus or performance-related payments; and

(d) shareholdings in a UK Green Investment Bank company."

This amendment would require, following a disposal of shares in a UK Green Investment Bank company, that the Secretary of State report annually on the remuneration of the Chair, non-executive directors and Executive Team of the company.

The UK Green Investment Bank began operating in 2012 as a fully Government-owned bank. It purpose is to invest in viable green infrastructure projects that would not otherwise be able to obtain funding due to market failure, or to stimulate the market. It has invested in 58 projects with a total value of more than £10 billion.

In June 2015, the Government announced plans to privatise the Green Investment Bank and this Bill, introduced in the House of Lords, is the legislative means to do that. The Government's primary goal is for the Green Investment Bank to be reclassified as a private sector organisation, so that its finance will not contribute to public sector net debt. To achieve that, the Government believe that they must remove reference to the Green Investment Bank's green purposes and identity from the Enterprise and Regulatory Reform Act 2013.

I am sure that the Minister will argue that a privatised Green Investment Bank will have access to a greater volume of capital and a larger range of sectors. I have just come from a meeting with the Aldersgate Group about the European Commission's circular economy package, which was published on 2 December. That is a whole new area in which the Green Investment Bank could invest over the next five years and which is set to create 90,000 new green jobs in the UK economy.

The Green Investment Bank supports the move, and the Government have drawn on that support as a primary motivation for their plans to proceed. The Environmental Audit Committee heard in an inquiry that concluded just before Christmas that the Government had not undertaken enough consultation on the decision to privatise the Green Investment Bank. That is often contrasted with the detailed consultation that went into the original formation of the bank, from which, the Committee was told, privatisation so soon after creation was not discussed. The EAC also heard that the Government had not presented enough evidence for privatisation, or considered a wide enough range of alternatives to a sell-off. There are obviously many different ways in which a Government can decide to privatise or part-privatise their assets.

In its response to the EAC report, the Government said that their announcement to privatise had been followed up

"by substantial engagement with stakeholders and the media to explain the case"

for privatisation. The Government also claimed that they had undertaken unpublished market testing over the course of two years. I am interested to hear from the Minister whether she would be willing to publish that market testing.

The Government said that they would not publish an impact assessment because there were no regulatory or significant cost impacts of the sale of the Green Investment Bank or changes to its pre-existing policy goals. We will talk about that later when we come to clause 32.

So the only robust consultation that the Government can point to, if they do not publish the market testing, is that with the Green Investment Bank itself. The Government also relied heavily on the support of the Green Investment Bank and its executives for privatisation in evidence and in response to the Committee.

The amendment that I and my right hon. Friend the Member for Don Valley have tabled invites the Government to commit to providing information to Parliament on the remuneration of the Green Investment Bank's senior management and board after privatisation. After all, what could they possibly have to hide?

The information set out in our amendment is currently provided in the Green Investment Bank's annual report. How much will those in charge of the Green Investment Bank stand to gain personally from the privatisation process? How objective can their views be, if they are to gain personally from the bank's privatisation?

This amendment follows a long series of difficulties with banks that have, by necessity, been taken into public ownership and in which large numbers of senior executives have continued to receive very large bonuses. At a time when people in my constituency have barely seen their pay rise over the past seven years, we do not want employees of a state-owned bank suddenly having a huge payday from the privatisation of this bank.

The Government will continue to act as a minority shareholder in the short term. The Environmental Audit Committee wants that minority shareholding to continue in the longer term, but the Government have implied that that will not happen. As such a shareholder—for the time being—will the Government continue to be represented on the remuneration committees of the privatised banks? As a shareholder, what are their current expectations for remuneration? Does the Minister envisage any change to those expectations post privatisation? With that, I commend the amendment to the Committee.

10.30 am

Caroline Flint (Don Valley) (Lab): It is a pleasure to serve under your chairmanship, Sir David. I congratulate my hon. Friend the Member for Wakefield on tabling the amendment and thank her for asking me to put my name to it. I also congratulate my hon. Friend on becoming Chair of the Environmental Audit Committee. I know that she will use all her talents and her tenacious approach to delving into the detail of policy areas to ensure that the Government are held to account by her colleagues from all parties on the Committee.

As my hon. Friend said, it is interesting that the Green Investment Bank drew cross-party support when it was established. It is important to understand the context. We are in the process of an energy industrial revolution in terms of technology for reducing the amount of energy we use and the different ways we can create energy in future. Not only can we make our planet safer but we can be imaginative and creative about the job prospects that the sector can bring for those in work today and for our children in the future. Something like 60% of the infrastructure projects that the Government are looking to support are energy-related, which gives a sense of the enormity of the process.

Why was the Green Investment Bank so important? As my hon. Friend said, it was an acknowledgement that sometimes the market does not deliver what we want and that, although not choosing winners, Governments can play a role in encouraging innovation. Take the defence sector, pharmaceuticals or academic research—there have been countless examples over many years and under many different types of Government of where the public sector, by which I mean the Government, has, by putting some resource into innovation and by understanding some of the related risk, led the way to some profound things that today we take for granted. For example, if it was not for the Apollo space missions way back then, we would not have Teflon in everyday use. I am not saying that we were behind all that, but it is an example of where creativity made a difference. Sometimes it is only Governments and Administrations that can get behind those sorts of projects.

The Green Investment Bank was set up to acknowledge the fact that, although there already has been innovation in the wider marketplace—for example, nuclear and other forms of technology—in a number of other areas it has been difficult to get the finance and to get people to take on the risk involved in looking at some of the more novel projects.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): My right hon. Friend is making a powerful speech. We should always bear in mind the fact that the Government have the ability to make an impact not only in supporting innovative technologies that perhaps would not get off the ground otherwise but in supporting regions and regional economies that would not otherwise be able to take advantage of certain opportunities. I will of course always mention my region, the north-east, which has led on some innovations in the low-carbon technology sector. It probably would not have been as successful as it has been without support such as that offered by the Green Investment Bank.

Caroline Flint: I thank my hon. Friend for her intervention. Having spent the past five years as a shadow Energy and Climate Change Minister, I find it most encouraging that, when we look at the investment going into these projects we can see that, despite the recession and the economic problems we have had for a number of years, green energy is one of the few sectors that has bucked the trend. More pertinently, when we look at the spread of investment, the research that goes into some of these projects and the jobs coming out of them, it is one of the few sectors where we can really talk about a one nation policy. Opportunities in the sector are far more open to all regions and countries of the UK than some other sectors such as finance, which is why it is such an interesting area to think about today and for the future. How do we protect those jobs for the future?

The Labour party has been at the fore, as the last Labour Government passed the Climate Change Act 2008 with all-party support. I think that only five Members of Parliament voted against it. I am not sure, Sir David, how you voted on that one. *[Laughter.]* Actually, I cannot quite remember whether you voted against it or

[Caroline Flint]

not. Anyway, although there have been a number of wobbles in the past five years on a number of different aspects of green technology such as onshore wind farms and what have you, this country is lucky, compared to other countries, that there is political consensus on this important issue.

This is about saving the planet, but I am a bit of a meat and potatoes sort of person and this is also about creating the jobs and skills of the future. In that way, the issue is much bigger than for Friends of the Earth and Greenpeace. It becomes an everyday issue for everyday communities. In my part of the country in Yorkshire, I see what is happening on the east coast in Hull and in Grimsby, in my own area, and over in Sheffield regarding nuclear development, I can see how this picture comes together. The Government are yet to promote the story in the way that it deserves.

What is important about the Green Investment Bank and accountability is that, although it was recognised that investment came in from different sources and that the sector bucked the investment trend as the recession hit, it was also accepted that sometimes more novel and complex projects need a little bit of a push. That is why the Green Investment Bank was there—to focus on more novel and complex projects that struggle to find funding and involve a bit of risk. Sometimes Governments are a little too risk averse on different public policy fronts, and there is a balance to be struck.

As my hon. Friend the Member for Wakefield said, to date just about £2.3 billion of public money has gone into 60 projects with a total value of more than £10 billion. The Green Investment Bank has done really well. I will not make partisan points about it just because it was set up under the previous Government. However, the concern has been that, in a move to privatisation, its focus on the more novel, innovative areas will actually decline and it will just become a run-of-the-mill funding organisation for projects that, to be honest, are easier and less complex and for which funding can be sought in other areas of the marketplace. It will then be focused on issues that maximise shareholder return. Maybe in five or 10 years' time, we could have had this discussion but, given the infancy of this project and, despite its youth, the good work that it has been doing, it is a shame that the Government have taken this route.

There has already been a discussion in the other place about how the green elements should be privatised. I am afraid that I am old enough to remember the privatisation of things such as our rail and energy services. As I used to say when I was doing the shadow job, if only Margaret Thatcher could have seen how some of these energy companies have behaved towards their customers in the past few years. I do not think that that was her vision when she set out to privatise the energy sector. In transport, energy and water the financial payback packages for those at the top of organisations seem over the top given the public service performances of some of those companies. These areas are of huge importance to the public, which is why I support the amendment. As my hon. Friend the Member for Wakefield said, everything that we are asking for in this amendment is currently covered in the annual reports of the Green Investment Bank remuneration committee.

As the UK Government would for now remain a shareholder, they would have influence over the policy of this privatised bank. The Government have already conceded that they do have a role to play in protecting the greener aspects of this bank and supporting innovation in this sector. It would be in the public interest and would aid transparency to continue the reports on how people are paid—whether the chair, the non-executive directors or the executive team—so that we can set how they perform against how they are rewarded. That is a safeguard and it is in the public interest. I cannot for the life of me see why anyone would object to this, and I therefore support this amendment.

Hannah Bardell (Livingston) (SNP): It is a pleasure to serve under your chairmanship once again, Sir David. I begin by stating that we support the amendment. We support its intentions and we believe that transparency in any financial organisation is to be welcomed, especially when it is at the level of the executive of a large corporation. I pay tribute to and congratulate the hon. Member for Wakefield on her election as the Chair of the Environmental Audit Committee, and we look forward to working with her. The right hon. Member for Don Valley made a powerful speech and we agree with much of what she said.

I have had discussions and engagement with the Green Investment Bank, and we would like to hear the Minister give guarantees today that it will remain headquartered in Edinburgh. That is very important to us. We would also like to hear that the Government will retain their golden share and their interest. We would also like confirmation that the bank will seek to have responsible shareholders. As the right hon. Lady said, it is so important that whoever invests in this organisation keeps its green objectives and its intentions at the heart of what it does.

As the right hon. Lady said, we are at a tipping point in terms of energy development, technology and innovation. We have a low oil price that is providing significant challenges. In Scotland we have seen the removal of wind farm subsidies, and the carbon capture project competition was taken away. These have been huge disappointments.

We hope that the projects and investment that have already been undertaken by the Green Investment Bank will continue. Some of them are key to the development of green technologies in Scotland. If you will indulge me, Sir David, I will give a list of a few of these projects. There is a £2 million investment in a sewage heat recovery scheme with an installation programme in locations across Scotland, which began in Borders College back in 2015; a £28.25 million equity investment in the construction of the Levenseat renewable energy waste project; a £6.3 million loan to Glasgow City Council to enable the first wave of the replacement of 70,000 street lights with lower energy and low-cost alternatives; biomass boilers across a number of distilleries in Scotland; and a £26 million investment in the new biomass combined heat and power plant near Craigellachie. These are significant and important projects.

When we look at the challenges of the oil and gas industry and the talent that unfortunately has been lost as a result of a low oil price, we have to look at where those skills can be redeployed. Aberdeen and the north-east of Scotland have some of the most innovative and

experienced people. I was in the service sector of the oil and gas industry before I came to this place. Every day I saw incredible, innovative and inspiring people and technologies. The Green Investment Bank plays a key role in ensuring that projects such as those I have listed can continue to thrive, and that the energy industry's new technologies thrive and are invested in.

Kevin Brennan: Perhaps I might seek your guidance, Sir David, because we have ranged quite widely and I was going to make some remarks in the clause stand part debate that I could incorporate into our discussion of the amendment if you thought that was appropriate. You seem to be nodding, so I will do that and hope that I will not be ruled out of order if I range a little more widely. This will save us the later debate on whether the clause stands part of the Bill.

First, I congratulate my hon. Friend the Member for Wakefield and my right hon. Friend the Member for Don Valley on their amendment. It is a great advantage having such expertise available to us on our Back Benches. I also congratulate my hon. Friend the Member for Newcastle upon Tyne North and the hon. Member for Livingston on their contributions in support of the amendment. My right hon. and hon. Friends have put their finger on a very good point, to which I will return once I have made a few more general remarks, without detaining the Committee for too long.

10.45 am

Let us remind ourselves that the reason the Green Investment Bank is included in the Bill is that when the Government announced they wanted to privatise the bank, the proposal was far from oven-ready. It was rushed and ill-thought-through, as my right hon. and hon. Friends pointed out, and has been beset by problems as a result of that haste.

I understand that the future purpose of the Green Investment Bank will be debated when we come to clause 32, so I will not go into that now, but it is a key issue. This clause is about ensuring that the Government can provide financial assistance after the bank's privatisation, even if they hold no shares in it. Will the Minister confirm whether that is a correct reading?

The clause also requires the Secretary of State to lay a copy of the Green Investment Bank annual report before Parliament when they still hold at least one share in the company and to report to Parliament after disposing of shares in the company. All of that prompts the question of whether disposing of all or part of the public stake in the Green Investment Bank is a good idea at all. My right hon. and hon. Friends outlined reasons for their concern.

As I pointed out on Second Reading, the Government's proposed privatisation of the bank—potentially deleting the bank's statutory green purpose—has become even more pressing given the Chancellor's recent announcement about the inability to take Lloyds bank shares to the market. Is it not the case that the privatisation proposals for the Green Investment Bank are actually a mess? If it is the wrong time to sell Lloyds, why is it the right time to sell the Green Investment Bank? We would like to know the answer to that question.

I reminded the Minister on Second Reading what her colleague, the hon. Member for Waveney (Peter Aldous), said about privatisation of the Green Investment Bank at the Environmental Audit Committee back in November, to which my right hon. and hon. Friends referred. He said to the Minister:

> "Why now? The bank has just made £100K profit. Some people might accuse you of selling your turkey on August Bank Holiday and not Christmas Eve."

That is a pertinent point from one of the Minister's colleagues.

What can the Minister tell the Committee about the response to approaches to the City to sell the bank? What is the current state of play on those approaches, which, as I understand it, are going on as we speak? When market conditions are so poor, and without enough time having elapsed to build a real understanding in the market of the long-term value of the Green Investment Bank, is there not a real danger that any sale now will represent poor value for the taxpayer? In that regard, it would be helpful to know in broad, ballpark terms what kind of return the Government expect to get at this time of poor market conditions, and in the infancy of this new organisation, for the bank's privatisation.

My right hon. and hon. Friends raise an extremely good point through their amendment: what will happen to the remuneration of the chair, non-executive directors and executive team of the Green Investment Bank following privatisation? Will we see the situation that many people fear and have warned of, whereby the bank effectively becomes another investment bank with the levels of remuneration we sometimes see—the sometimes irresponsible remuneration, it has to be said—in that particular industry?

The Green Investment Bank is a successful Government initiative—we all agree on that—albeit one that has its genesis many years previously, but I will refer to that when we come to clause 32. It would be ironic if the outcome of the policy was simply yet another investment bank with fat-cat levels of remuneration—not the "fat cats" that the Secretary of State talked about on Second Reading, meaning long-serving public sector workers on moderate levels of pay, another issue that we will come to later in our consideration of the Bill, but people earning millions of pounds a year for their activities in a project that only came about because of a Government initiative. That would be an ironic outcome.

As I understand it, the intention behind the amendment of my right hon. and hon. Friends is to make it clear that if the organisation is to be privatised, it is important for the Government to have a say on its remuneration committee following privatisation, given that they intend to retain a stake in the business. The proposal seems to be eminently reasonable and I hope that the Minister will accept the amendment, so that we may add it to the Bill.

Anna Soubry: The debate has been wide ranging, and I make no criticism of that. A number of questions have been asked that I intend to answer at this stage, but our discussions will continue in our consideration of the next clause.

The Green Investment Bank was a success and a product of the previous Government. We are proud to have introduced it. It is right that it is doing well. From market testing we know that there is a thirst and a desire out there to purchase it. We will sell it sooner rather than later and for all the right reasons. The bank has

[Anna Soubry]

proved that investing in green projects is a financially sound and right thing to do. Many would say that it has led the way. As I said, the bank has proved that the sector is worthy of investment, which is why it is now time for us to sell it.

Specifically on the question asked by the hon. Lady whose constituency I will remember in a moment, when prompted—

Hannah Bardell: Livingston.

Anna Soubry: The hon. Member for Livingston—

Kevin Brennan: Livingston, I presume.

Anna Soubry: Behave!

The hon. Lady asked whether the Government would guarantee that the bank will keep its headquarters in Edinburgh. GIB management have made it perfectly clear that Edinburgh is the best place for the bank to do business and why would they not say that, because Edinburgh is indeed a fabulous city in which to do business. Lord Smith, who is the chair of the bank—I will refer to him in our next debate—wrote to the Scottish Government, John Swinney in particular, to confirm his personal commitment as chairman of the Green Investment Bank to Edinburgh. We cannot of course force the bank to remain in Edinburgh, but I can see no good reason why on earth its management would not want to stay there.

The hon. Member for Wakefield asked whether we would publish the market testing. No, we will not. It is commercially confidential, as might be imagined, so that is perfectly normal. By the way, I congratulated the hon. Lady last week on her election—I add that in case anyone thought I was being churlish for not mentioning it.

The right hon. Member for Don Valley asked whether the Government would retain a minority stake in the bank. We intend to sell a majority. It is crucial that the Green Investment Bank is classified as being in the private sector—that is absolutely what we want. We may retain a stake, but at this stage we cannot commit to that. When we debate the next clause I will explain why and what we are seeking to do—in essence, to protect the green credentials, as so many hon. Members agree that we should.

To turn specifically to the amendment, once GIB is sold it will be subject to normal company law, under which a company of the size of the Green Investment Bank—GIB is a horrible term—that is not quoted and listed on the stock exchange is required to include aggregate information on total remuneration and specific information on the highest-paid director. Those are the minimum requirements—please note "minimum".

The Green Investment Bank is currently required to report to higher standards, which is right, because it is entirely publicly owned. It currently reports the details included in the amendment and it may choose to continue to do so once it is in private ownership. I cannot see any reason why it would want to move away from its established principles.

When the Green Investment Bank is privatised the Government will not control its remuneration policy. We cannot control key aspects of corporate policy, such as remuneration, in a private company, and rightly so. There is no reason why the privatised Green Investment Bank should be singled out by the Secretary of State to report on its remuneration to Parliament, especially if it is not spending public money. If the Government do not hold any share in the Green Investment Bank, we would have no power to compel it to provide the amendment's level of information if it chose not to do so.

Hannah Bardell: I hear what the right hon. Lady says, but does she not agree that this could be the start of something great? We could start a domino effect of companies being more open about their remuneration, which would send a very strong message about how we could do that and support it.

Anna Soubry: The thing is that we do have requirements for private companies, and I have explained what they are, but we cannot make the Green Investment Bank do anything more unless it chooses to lead the way. There are many companies, for example, that will only deal with Fairtrade products; many companies choose to do things in a certain way and can in many respects, it can be said, change the culture. I am firmly of the view that this amendment is not necessary and should be resisted.

Kevin Brennan: Will the right hon. Lady give way?

Anna Soubry: Quickly, yes.

Kevin Brennan: It saves time if the right hon. Lady gives way, because, as she knows, under Committee rules we can make further speeches if necessary. Is it not the case, following privatisation, that the Government intend to retain the ability to invest in the bank? Is it not still the Government's intention to hold a stake in the bank following privatisation? Therefore, why is it inappropriate for the Government to have influence over remuneration policy?

Anna Soubry: I thought I had made it clear that we have not decided whether we will retain a stake. We do not know whether we will retain a stake at this moment. When it is privatised there is no reason why it should be subject to laws that are different from those that other companies are subject to. When we come to our second debate, which I think is the real bone of contention, or the cause of concern, I will explain what the Government are doing and, most importantly, what the Green Investment Bank's chair has said about keeping its green credentials.

Mary Creagh: The Minister is saying, "Trust us. We're not sure when we're going to do it, but sooner rather than later," but also, "We're not sure whether we're going to have a minority share, or when it will be fully viable." There is a series of uncertainties around the privatisation of the bank, but surely the argument is that this is a bank that was created with taxpayers' money; it is not one that was private and then taken over by taxpayers, as Lloyd's and HBOS were. It was created by the people of this country, who have made it

clear in no uncertain terms on our constituency doorsteps that they do not want to see bankers coming off with huge bonuses, which is what the risk is.

Chairs can change; they are appointed for three or four-year terms. I have every confidence in Lord Smith, but four years down the line, when it is fully privatised and the City of London is back rolling again, things could change and the pressure on the chair from the bank executives could be very high to double or treble their remuneration, as has happened in other former state privatised assets. I am thinking of QinetiQ, but also of the rolling stock companies that made multimillionaires out of managers who had previously been very happy on British Rail salaries.

Anna Soubry: I am afraid that I do not share the hon. Lady's determination that Government always know best and we cannot trust the private sector to do the right thing. I absolutely do. When we sell the bank off, as I am confident that we will, I do see why it should be subjected to more onerous conditions than are already imposed on companies. It is a worrying feature of Opposition Members that they simply cannot trust people in business to do the right thing. They have to over-process and over-manage; they will not let business get on and do what it knows best.

11 am

Caroline Flint: I do not think this is some sort of willy-waving competition about who does best. I think it is about looking at where the public sector and Government have a role to play in setting out policy and setting up frameworks. The truth is that there is greater transparency in the corporate sector today only because, sadly, it let people down. It did not volunteer to do it itself, or to introduce a national minimum wage or much of the health and safety legislation that Governments of different colours have supported over generations. It is more transparent because the market failed and people were let down. Here is a really good example. I ask the Minister—*[Interruption.]*

The Chair: Order.

Caroline Flint: I ask the Minister to consider this: the Green Investment Bank is not broken and has not caused a problem, so why would we not want to retain some of the best elements of what is, in effect, a public-private partnership to ensure that it can still do good and command public trust and support?

Anna Soubry: With respect to the right hon. Lady, that is not what her amendment is about. She is now talking about what is to come in the next debate. Clause 30 seeks to put something on to this business once it has been sold into the private sector. It is important that we remember that when it is sold is when taxpayers will get their money back. Having got their money back, that will be the end of their involvement in it, save for the bank, which we created, continuing to have its green credentials, as I will describe when we reach the relevant clause.

The amendment is unnecessary. When the bank is privatised, we will not control its remuneration policy, and rightly so. If the Government retained a minority stake, we could not control remuneration policy because it would be wrong of us or Parliament to seek to control the decisions that are properly for the board of the company and its shareholders to make. The bank will not be treated differently, nor should it be. As I said, the investment made on the behalf of the taxpayer will have been paid back and the bank will then be free to continue its great work, unconstrained by anything that Government might put on it. As a shareholder, however, we can still express views and agree with other shareholders as to the level of reporting that would be appropriate on this and other issues. I therefore suggest that the amendment might look good on paper, but is absolutely not the right thing to do in reality when we privatise 0the Green Investment Bank.

Kevin Brennan: Before my hon. Friend the Member for Wakefield responds to the debate, I want to reply to some of what the Minister said. It was interesting to hear the Minister accuse the Opposition of not being prepared to trust business. She is asking us to trust investment bankers. The Minister proposes that we should abrogate our responsibility and give way on our social and environmental consciences to the man from Deutsche Bank. I am afraid that that will not happen.

Anna Soubry: Is the hon. Gentleman suggesting that the clause should apply to all banks? If he is, why did he not do that during the 13 years that his party was in power?

Kevin Brennan: My view, which I have made clear previously and with which many people agree, is that we should have done more to regulate the City's activities during our years in power. Having said that, some of the siren voices in our ear screaming that we should not do so came from Conservative Front and Back Benchers, who were saying that regulation was unnecessary and would spoil the UK's position as a global financial centre. The very voices that were shouting at the previous Government not to do it were those on the Conservative Front Benches.

It seems pretty rich, in all senses of the word, for a Department that is led by a former investment banker, who was earning £3 million a year from a bank that was fined £600 million by the European Union, to lecture the Opposition on trusting investment bankers when the Green Investment Bank is privatised. The genuine concern is that it may end up being a Chinese-owned investment bank. That is the pathway the Government might be setting us on with this privatisation proposal.

Anna Soubry: Will the hon. Gentleman give way?

Kevin Brennan: I will in a second. I want to make it clear—

Anna Soubry: Will the hon. Gentleman give way?

Kevin Brennan: As I have already said no, I will in a moment, if the Minister will allow me to finish my point. We believe it is absolutely essential that we do not miss this legislative opportunity to make it clear that we want the Green Investment Bank, if it is to be privatised,

[Kevin Brennan]

not to turn into just another investment bank—a bank that is going to be investing in non-environmental projects, for example.

Anna Soubry: Is the hon. Gentleman not giving way?

Kevin Brennan: I have already indicated that I will give way. The Minister should understand that the conventions of the House mean that I will do so when I have finished my point, and that any number of sedentary interjections from her will not stop me from finishing my point before I do her the courtesy of giving way, which is entirely my choice, as you will confirm, Sir David. I am happy to give way to the Minister.

Anna Soubry: I am sure that the hon. Gentleman is not trying to suggest that the Secretary of State for business is in any way untrustworthy.

Kevin Brennan: I certainly am not doing so. I am saying that the organisation that the right hon. Gentleman previously worked for was fined £600 million by the European Union for its dodgy dealings.

Anna Soubry: What has that got to do with this?

Kevin Brennan: That was not the Secretary of State's responsibility, but I am pointing out that being lectured by Government Members on trusting investment bankers might occasionally provoke a response from us. If the hon. Lady does not like that, that is tough.

My right hon. and hon. Friends have made extremely important points about what could happen following privatisation unless better assurances are given by the Government. To complacently say that after privatisation the Government—who, despite what the Minister said, will probably retain a stake in this bank and will almost certainly have some part to play in providing finance to the bank for its green investments—should have no influence over the remuneration of the directors of the bank seems to be a complete abdication of responsibility. I encourage my hon. Friend the Member for Wakefield, should she choose to do so, to press the amendment to a vote.

Mary Creagh: This has been a lively debate, which is always a good thing. I take issue with some of what the Minister said. First, we have just had our half-term recess, so Committee Members may have seen the excellent, Oscar-nominated film "The Big Short", but if any have not seen it, I recommend that they do so as soon as possible to see exactly what was happening in the banking industry in 2007.

Anna Soubry: Will the hon. Lady give way?

Mary Creagh: I will when I have finished my point. That film demonstrates the mystification of investment. Selena Gomez explaining complicated financial terms, such as CDOs—collateralised debt obligations—is a highlight of the film. Essentially the film showed that a huge financial fraud was perpetrated on people in advanced western democracies through a series of reckless gambles by big banks in both the United States and the United Kingdom, as a result of which taxpayers lost $5 trillion, wiped off the value of stocks, pension funds and investments. In the case of the United States there was massive suffering with the foreclosures epidemic in certain areas. In my view, the Bill is an opportunity for the Government to intervene in the private market, as they are doing in other areas.

Anna Soubry: Does the hon. Lady agree that what this amendment seeks to do is not to have any influence over remuneration or otherwise, but to require the privatised Green Investment Bank to write a report.

Mary Creagh: If it is such a small deal, I do not understand why the Minister is resisting it so vigorously. I think the Prime Minister once said that sunshine is the best disinfectant. My understanding is that, at the moment, those Green Investment Bank executives are classified as public sector employees and as such cannot earn a greater salary than the Prime Minister of this country. I can 100% guarantee that that will change as soon as the bank is privatised. *[Interruption.]* This Committee can at least ensure that we find out what is happening. I may come back on Report with stronger amendments.

If the Minister chooses to criticise that, I may reconsider and see whether we want to table something more stringent—perhaps a pay cap. Other clauses of the Bill cap the pay and exit conditions of people in a private company, Magnox—I am sure we have all had plenty of letters from them—and interfere in the workings of private businesses to introduce an apprenticeship levy, which Labour Members support but which many private sector companies are most unhappy about.

Kevin Brennan: If there is a fundamental objection to interfering with the pay and conditions of people working in the private sector following privatisation, why are the Government doing that later in the Bill on exit payments?

Mary Creagh: Good point, beautifully made. The issue of remuneration is of concern to the Government. This started off as a probing amendment, but I will take it all the way to a Division. It has grown legs. The more the Minister has argued, the more that I think there is something here.

Hannah Bardell: Is this not about transparency? This could be a starting point to shine a light and set an example for other organisations and other banks. Fundamentally, lack of transparency has got us where we are today. If we are able to make banks and organisations more transparent, hopefully they will bounce off each other and set examples among themselves.

Mary Creagh: Yes, that is an excellent point, although I think those of us who are waiting for transparency from banks will have a long wait. We have been waiting for transparency on gender equality since the Equal Pay Act 1970.

My right hon. Friend the Member for Don Valley spoke about market turbulence and the postponement of the sale of shares in Lloyds. The Chancellor said in January that the share sale would be postponed because of market turbulence. The sell-off of Lloyds shares was scheduled for spring; he has now said that it will come after Easter. Over the past eight weeks, we have seen a

bear market, great turbulence in the financial markets, panic selling of crude oil, and oil prices at a 13-year low. We had the news this morning that investment in North sea oil and gas industries has fallen from an average of some £8 billion a year over the past five years to £1 billion this year. These are worrying times for the global economy, and the market is hugely volatile. All bank shares are currently falling in price, whether they are UK bank shares, European bank shares or US bank shares. Whether this is a phased sale or a one-off sale, the Minister has still not committed to giving us the business case and to publishing the impact assessment, which is what the Environmental Audit Committee asked for.

Would the Minister care to intervene and say who is advising her on this, apart from the Green Investment Bank executives? Has she sought any outside firm from the City of London to advise her on the sale, or is it simply the advice of Green Investment Bank executives who potentially stand to gain from the sale? As the Minister is grievously unhappy about this, I will press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 8, Noes 10.

Division No. 3]

AYES

Bardell, Hannah	Esterson, Bill
Brennan, Kevin	Flint, rh Caroline
Brown, Alan	McKinnell, Catherine
Creagh, Mary	Morden, Jessica

NOES

Argar, Edward	Lewis, Brandon
Barclay, Stephen	Mackintosh, David
Churchill, Jo	Pawsey, Mark
Frazer, Lucy	Solloway, Amanda
Howell, John	Soubry, rh Anna

Question accordingly negatived.

Clause 30 ordered to stand part of the Bill.

Clause 31

UK Green Investment Bank: transitional provision

Question proposed, That the clause stand part of the Bill.

Kevin Brennan: So much for the Secretary of State's fat cats after that debate. This stand part debate is probably a good way for us to move towards our lunch-time break—or should I say our break for prime time in the House, to be more accurate? We will probably come to the meat of this part of the Bill when we discuss clause 32, but I would be grateful if the Minister explained the purpose of clause 31 and why it is necessary that it stands part of the Bill. That might run us nicely towards that prime-time break.

Anna Soubry: As I rise, I am helpfully provided with those very reasons. The clause is a transitional provision relating to the clause 30 provisions on the Green Investment Bank that requires the Government to report to Parliament with details of a proposed sale of the bank before that clause, which repeals and amends parts of the Enterprise and Regulatory Reform Act 2013, can come into force. The report must include details of the type of sale that the Government intend to undertake, the expected timescale and the objectives to be achieved. That will ensure that Parliament is kept informed and demonstrates that we will bring the repeal into force only at the appropriate stage in a transaction process. Like the report in clause 30, this report must also be sent to devolved Ministers. That, in short, is the reasoning behind the clause, which I commend to the Committee.

Mary Creagh: I was not going to speak, but having heard from the Minister I think I will. It strikes me that the clause is a blank piece of paper that gives the Secretary of State carte blanche. He or a future Secretary of State may or may not make regulations or a decision to dispose of the share, and then they will lay a report before Parliament to say what type of disposal is intended. That comes back to my Committee's request that the full impact assessment is published to Parliament. Parliament has not seen an impact assessment of the disposal of the bank or any such detail. Will the report be scrutinised by a Delegated Legislation Committee or will it go through on the nod as one of the remaining orders of the day? I seek clarification from the Minister on what type of scrutiny the House will have of the bank's disposal.

Anna Soubry: I will have to write to the hon. Lady to do that. I apologise; I cannot do that in any other way, but I will do that. It goes without saying that when we get to the next clause, many of the issues that we have already debated will be further debated, and rightly so.

Question put and agreed to.

Clause 31 accordingly ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned. —*(Stephen Barclay.)*

11.19 am

Adjourned till this day at Two o'clock.