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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 12 May 2016

House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY AND CLIMATE CHANGE

The Secretary of State was asked—

New Energy Technologies

1. **Mark Pawsey** (Rugby) (Con): What steps she is taking to encourage innovation in new energy technologies which are both cheap and clean. [904987]

The Secretary of State for Energy and Climate Change (Amber Rudd): Encouraging and supporting innovation is central to everything we do. The United Kingdom has a proud record of leadership in energy innovation, through, for instance, our success in driving down the costs of offshore wind technology. The Government took steps to build on that in last year's spending review, more than doubling our energy innovation budget over the next five years to a total of £500 million. With that budget, we can continue to support the development of clean, cheap and reliable technologies.

Mark Pawsey: I recently visited two farmers in my constituency. J.C. Channing and Sons is generating electricity through anaerobic digestion, while Dale Aston of Brinklow Biogas is using the same process to generate and supply biogas via a connection to the national grid. Will the Secretary of State join me in congratulating those entrepreneurs, who are demonstrating considerable innovation in the use of new technologies, and will she tell us a little more about how the Government are supporting the sector?

Amber Rudd: My hon. Friend is, of course, right. One of the biggest challenges that we face is how to decarbonise our heat and electricity supplies over the coming decade. Anaerobic digestion has played an important role in meeting the challenge to date, providing low-carbon heat and electricity for consumers in the United Kingdom. I congratulate employers such as those in my hon. Friend's constituency who, by using food and farm waste, are helping to deliver the kind of renewable energy that we need.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I ask the Minister to get out a bit more? I walk around my constituency talking to environmentalists and to the big companies that invest in new technology, and they

say that the stops and starts and changes in Government policy, especially in the Treasury, have deeply harmed innovation and research in this area.

Amber Rudd: I am sorry to hear that from the hon. Gentleman, but the facts speak for themselves. Investment in renewable technology and energy is at a record high in the UK, and the Government are always careful to consult before making changes so that we take industry with us and deliver the stability that it needs.

David Mowat (Warrington South) (Con): Far and away the most dominant form of low-carbon electricity in Europe is nuclear power. In the context of nuclear innovation, will the Secretary of State update us on the small modular reactor competition?

Amber Rudd: My hon. Friend is, of course, absolutely right. Nuclear power is an important part of the energy mix that we continue to need, and the Government support advances that will enable us to replace our ageing nuclear fleet over the coming decades. Since we launched the SMR competition we have received 38 expressions of interest, and we will be working closely with those companies to ensure that the competition proceeds in the way that is most likely to generate investment.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Late last month the United States Senate passed an energy Bill, in a rare occurrence of bipartisan co-operation. The Bill could unleash billions of dollars for research and development in new energy technologies, including energy storage, hydrokinetic and marine R and D, and advance the electricity grid in the US. Can we expect the United Kingdom Government to act in a similar manner, investing in the future and addressing the myriad problems that affect our energy infrastructure?

Amber Rudd: The hon. Lady will know that the Climate Change Act 2008, which underpins the drive towards renewable energy in this country, was passed on a cross-party basis, and our work in developing a low-carbon future remains absolutely cross-partisan. This Conservative Government are committed to ensuring that we invest and plan for the long term, so that we can develop that renewable energy, while always ensuring that we do so at the least possible cost and put energy security first.

Michelle Donelan (Chippenham) (Con): Does my right hon. Friend agree that supporting the innovative electric vehicles industry is an excellent way of protecting the environment while also backing UK businesses? If so, will the Government do all they can to support that new technology for the benefit of the environment and business?

Amber Rudd: My hon. Friend is absolutely right. The future for transport is indeed electric, and the Department for Transport has clear plans to develop and support the electric vehicles industry. I am proud to say that one in four of the electric cars that are currently being driven around Europe was made in the UK, and I hope that the UK will continue to be a leader in this developing industry.

John Pugh (Southport) (LD): Will the Secretary of State update us on the strike price for tidal energy, and on the negotiations surrounding it?

Amber Rudd: The hon. Gentleman may be aware that we have recently launched a consultation on tidal energy, headed by Charles Hendry. In regard to tidal stream, which he might also be asking about, we have yet to decide how the pot 2 allocation will be taken forward.

Smart Meters

2. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What steps her Department is taking to ensure that consumers' data on smart meters are accessible to and controllable by those consumers; and how she plans to monitor the effectiveness of those steps. [904988]

The Secretary of State for Energy and Climate Change (Amber Rudd): I welcome the hon. Member's support for smart meters, and I am sure she will agree that their roll-out is a vital step towards putting consumers firmly in control of their energy use. Consumers will need to have ready access to the data from their smart meters if we are to achieve that goal. That is why all households will be offered an in-home display that will allow them to see the energy they are using in near real time, as well as its cost. We are also allowing suppliers to trial innovative technologies alongside that.

Chi Onwurah: Smart meters can transform domestic energy consumption and help to save the planet, but only if consumers are given secure control and ownership of their own data. The display options that the Secretary of State refers to will still allow smart meters to be a back door into our homes for hackers, so will she overcome her ridiculous complacency and announce measures to give consumers the digital rights that they deserve before it is too late?

Amber Rudd: The hon. Lady should know that privacy is absolutely protected and at the heart of the smart meter programme. She should be careful not to put fear into the hearts of people where none should exist. The data are protected, and they belong not to the Government—which some people might, not unreasonably, fear—but to the energy companies. We will always reassure consumers that privacy is at the core of delivering safe meters.

Andrew Bridgen (North West Leicestershire) (Con): The Competition and Markets Authority has recommended a temporary safeguard for vulnerable users who have pre-payment meters, which could result in savings of up to £300 million a year for those consumers. Will the Secretary of State commit to implementing that measure as soon as possible to protect those vulnerable users?

Amber Rudd: My hon. Friend is absolutely right. The preliminary report from the Competition and Markets Authority addresses head-on the difficulties and higher costs often faced by people on pre-payment meters, and, yes, we will be implementing its recommendations. We look forward to seeing its final recommendations over the next few months.

Jim Shannon (Strangford) (DUP): According to the Government's own calculations, they reckon that with smart meters installed, we as a nation could save some £17 billion on our collective energy bills over the next 15 years. Does the Secretary of State recognise that if consumers had access to their detailed data usage, it would put them in a good position to share those data with third parties, should they want to, and that that could improve competition, which the Government would obviously be glad to see?

Amber Rudd: Yes, the Government are glad that the Competition and Markets Authority has said that it will make available in a controlled way the details of people who have not switched. We will have to ensure that that is done in a way that does not result in consumers feeling overwhelmed by suggestions. The Competition and Markets Authority has yet to come up with its final solution on this point, but I am confident that it will do so in a measured way and that this will help to ensure that people who have not switched will have access to switching and to the opportunities that it provides.

Offshore Wind: Scotland

3. **John Nicolson** (East Dunbartonshire) (SNP): What steps she is taking to support the development of offshore wind energy generation in Scotland. [904990]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): The Government have announced up to £730 million of contracts for difference support for offshore wind and other renewables. The first auction later this year will offer £290 million, and I expect Scottish projects to bid. This is a huge opportunity for the UK supply chain, and I am doing everything I can to persuade developers to buy British.

John Nicolson: The Government have cancelled the contract for difference for the Neart na Goithe wind farm off the east coast of Scotland. Without that wind farm, there will be no such projects at all in Scottish waters. Will the Minister tell us why the contract has been cancelled? Will the Government commit to redeploying the funds to another Scottish project?

Andrea Leadsom: It is not the Government who decide whether a delivery milestone is met; it is the Low Carbon Contracts Company that manages those contracts for difference. That cancellation was the result of the milestone delivery date not being met, and there are ongoing discussions about that. I recognise that the termination of a CFD is disappointing for all partners, but I can reassure the hon. Gentleman that there is quite a big project pipeline for Scottish offshore wind and I expect to see other projects coming forward at the next auction.

Martin Vickers (Cleethorpes) (Con) *rose*—

Mr Speaker: Order. I am happy to hear the mellifluous tones of the hon. Member for Cleethorpes (Martin Vickers), but his inquiry must relate to Scotland rather than to Cleethorpes.

Martin Vickers: There is a direct link, Mr Speaker. Clearly, developments in the industry in Scotland will have an impact on the success or otherwise of the

development of the energy estuary, which is the Government's ambition for the Humber. Will the Minister give us an update on how developments in Scotland might impact on the Humber?

Mr Speaker: Very neat!

Andrea Leadsom: I commend my hon. Friend for both his tenacity and his command of the English language. Whether from Scottish projects or from projects in the Humber region, this project pipeline will benefit the UK supply pipeline enormously. That is what we really want. He will be aware of the ongoing east coast review, and I am talking with individual developers to try to ensure that we buy British wherever possible and use UK fabricators, and that the UK has the opportunity to get more of this valuable business, which has been a real success story for the UK.

Callum McCaig (Aberdeen South) (SNP): Scotland's undoubted potential in offshore wind, and in renewables more generally, is being squandered by remote control from here in Westminster. When will the Department stop treating Scotland like an absentee landlord?

Andrea Leadsom: I am unsure whether saying, "What rubbish," is unparliamentary, but, frankly, that was absolute rubbish. There is no sense in which the UK Government treat Scotland as if we were an absentee landlord. The hon. Gentleman will be aware that 60% of the renewables obligation has gone to projects in Scotland, which has about 8% of the population. How on earth can he think that Scotland is somehow losing out? That is absolute nonsense.

Callum McCaig: If we are not being run by remote control, will the Minister tell us how many times the Secretary of State has been to Scotland since the last election?

Andrea Leadsom: I can tell the hon. Gentleman that I have been to Scotland a number of times.

Callum McCaig: Answer the question.

Andrea Leadsom: I do not know the answer, but I can write to the hon. Gentleman. My right hon. Friend the Secretary of State is absolutely committed, as am I, to the success of not only wind and the renewables sector in Scotland, but, importantly, the oil and gas sector. The hon. Gentleman will be aware of the hours that she and I have spent in this Chamber desperately trying to get the Oil and Gas Authority sorted out through the Energy Bill, which he and his colleagues have tried to delay and scupper at every turn.

Electricity Pylons: Sensitive Environments

4. **Dr James Davies** (Vale of Clwyd) (Con): What steps her Department plans to take to (a) require the undergrounding of power cables and (b) mitigate in other ways the effect of electricity pylons on sensitive environments. [904991]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): It is quite right that network companies give proper consideration to the protection of communities and sensitive areas, and my

hon. Friend is right to speak up for his local residents. I hope I can reassure him and his constituents that legislation already puts such a requirement on network companies. Local communities will always be properly consulted on how new transmission networks might affect their local environment.

Dr Davies: I am grateful for that reply. The Minister will be aware that many miles of new electricity cabling will be required across the country for new energy projects, including in my area of north Wales. When there is controversy, does she agree that the cost of delays to such infrastructure projects could far outweigh the cost of undergrounding sections of cabling in sensitive areas to help overcome such controversy? Does she also agree that planning guidance may need firming up to enable clarity around the requirement?

Andrea Leadsom: I certainly agree with my hon. Friend that getting on with projects and avoiding delays is important, and I am sure he will appreciate that there is a balance to be struck. A recent independent study showed that the undergrounding of transmission lines can cost up to £24 million per kilometre compared with up to £4.4 million per kilometre for overhead lines, and such costs are ultimately paid through consumer bills. I reassure him that existing planning guidance will ensure that undergrounding is always fully considered.

Sue Hayman (Workington) (Lab): I want to ask the Minister about vertical infrastructure more broadly. We have pylons going through Cumbria, and my constituency has an awful lot of wind farms and telephone masts. How do we bring all of that together when we consider new planning?

Andrea Leadsom: I hope I can reassure the hon. Lady that local authority planning processes do always take into account the cumulative impact of yet one more project getting under way. I suppose that this is a question for the Department for Communities and Local Government, but the existing planning arrangements not only allow for proper local consultation and proper consideration of all the alternatives, including undergrounding to take infrastructure right out of sight, but consider what one more project will do and whether things can be brought together. If an area is affected, different projects can be undertaken in the same place, rather than being spread out and ruining the landscape.

Energy Bills

5. **Will Quince** (Colchester) (Con): What steps her Department is taking to reduce energy bills for businesses and households. [904992]

The Secretary of State for Energy and Climate Change (Amber Rudd): The best way to deliver on energy bills for businesses and households is to have a robust and competitive energy market. In 2010, the big six controlled 99% of the domestic retail market, but this year consumers can choose from more than 30 independent suppliers, who, between them, control more than 15% of the dual fuel market. Competition is improving, but we cannot be complacent, which is why I look forward to the final report of the Competition and Markets Authority and why I will continue to encourage consumers to switch.

Will Quince: I agree with the Secretary of State on that and thank her for that answer. The best way for consumers to get a good deal on their energy bills is to consider switching. Will she confirm that the Government remain committed to driving down the time it takes for consumers to switch?

Amber Rudd: My hon. Friend makes a good point. Consumers are sometimes put off from switching not only by the complications that they perceive, but by the length of time it can take. We are working with Ofgem and are confident that it will reach reliable next-day switching by 2018.

Margaret Greenwood (Wirral West) (Lab): My hon. Friend the shadow Secretary of State for Energy and Climate Change recently visited the award-winning eco-house in my constituency, where heating and lighting bills are kept below £100 a year. What action is the Minister going to take to promote carbon-neutral homes?

Amber Rudd: I thank the hon. Lady for her question. She is right to point out that some fantastic innovations are taking place through private sector business investment to make sure that innovations are delivered in this sector that will help to drive down bills. On zero-carbon homes, I can reassure her that a European Union directive, due to come in by 2020, calls for near-zero carbon emissions, which I believe will help to reduce people's bills.

Andrew Stephenson (Pendle) (Con): Does my right hon. Friend agree that it is important to give more power to price comparison websites to help consumers find the best deal possible? That was one suggestion put forward by the CMA.

Amber Rudd: I agree with my hon. Friend that we have to have as many choices as possible for people, and the CMA has made some proposals, but we also have to be careful to ensure that this is addressed fairly, that the cheapest tariff is available and that there is full disclosure. I tend to encourage people to go to the Ofgem website beanenergyshopper.com.

Lisa Nandy (Wigan) (Lab): The Secretary of State is fond of telling us how keen she is to cut energy bills, but last Friday, when attention was diverted elsewhere, her Department revealed that families in this country will be asked to pay up to an extra £38 on their energy bills to fund her failure to get new power stations built. Can she confirm to this House that not only is she asking families to pay more to fund her policy of closing coal-fired power stations, but, at exactly the same time, she is going to ask them to pay more to keep them open?

Amber Rudd: The hon. Lady is referring to the changes to the capacity market, and I am concerned that she has not grasped the facts of the situation, which are that wholesale prices have fallen, with the consequence being that coal prices, and indeed some gas prices, become uneconomic. Because the Government will take no risks with energy security and because we are absolutely clear that it must be the No. 1 priority, we have brought forward a new capacity market that will stop there being the sort of price hikes which are most unwelcome. My Department estimates that this will actually save consumers up to £46 on their bills.

Lisa Nandy: The absurdity of the situation appears to be completely lost on the Secretary of State, but as she has been on this panic spending spree recently perhaps I could ask her another question. She recently announced generous subsidies to EDF, the big energy company that operates Britain's nuclear fleet. She has agreed to hand over £153 million in 2018 and a further £139 million the following year to subsidise nuclear power stations that would have been open in any case. Is she aware of the recent news that the cost of Hinkley Point C is set to rise to £21 billion, which is £3 billion more than was forecast? What is her estimate of the cost to bill payers and taxpayers in the UK of this new revised figure?

Amber Rudd: I am concerned that the hon. Lady did not hear my answer to her earlier question. The fact is that energy security has to be the priority of government. In bringing forward changes to the capacity market, we have made sure that, with low wholesale prices, we have sufficient energy during the next two years. She just reveals her total lack of understanding of getting the right balance on secure electricity—nuclear and, yes, in the short term, coal—which supports our renewable investment, keeps bills low and ensures that customers always have a good supply of electricity.

Energy Tariffs

6. **Andrew Bingham (High Peak) (Con):** What steps the Government are taking to ensure that energy consumers are on the best value energy tariff. [904993]

The Secretary of State for Energy and Climate Change (Amber Rudd): The most effective way for consumers to ensure that they are on the best value tariff is by engaging with the energy market and switching supplier. I encourage all Members to urge their constituents to engage with the market and make use of the readily available Ofgem-approved price comparison websites. Meanwhile, we will continue to make it easier for consumers to switch, and we are working with Ofgem and the industry to move to reliable next-day switching by 2018.

Andrew Bingham: High Peak is probably one of the coldest constituencies in England in the winter, so our household energy costs are probably disproportionately high compared with those in many other areas of the country. Has the Secretary of State made any assessment already of the trends of people changing suppliers and whether they are actually changing suppliers to keep those costs down?

Amber Rudd: I can reassure my hon. Friend that switching was at a four-year high in 2015, with 6.1 million electricity and gas switches across Great Britain—roughly a 15% increase on 2014. I am aware that some people are unable or unwilling to switch, which is why we have the big energy saving network programme. This year, that programme gave £10,000 of funding to two champions in High Peak who reached more than 350 customers directly, and trained 111 front-line staff. Over the year, more than 1,900 vulnerable customers were supported. It is important to reach all consumers.

Mr Speaker: Only last week, the hon. Member for Lichfield (Michael Fabricant) owned up to having brought a hedgehog into the Chamber some years ago—I am

pleased to say that it was not during my tenure of the Chair. With all the reference to price comparison websites, I am glad that no one has thought it necessary to bring a meerkat into the Chamber.

Pre-pay Meters

7. **Jessica Morden** (Newport East) (Lab): What her Department's policy is on the implementation of the Competition and Markets Authority proposals for consumers on pre-pay meters. [904994]

The Secretary of State for Energy and Climate Change (Amber Rudd): The Government agree with the Competition and Markets Authority that consumers on pre-pay meters are getting a poor deal. Supporting such consumers was at the heart of our decision to support the CMA investigation in the first place. The hon. Lady may have seen the estimate by Citizens Advice that 23% of households in her constituency have pre-payment meters, which is above the national average of 16%. That is why it is so important that we take on board the recommendations of the CMA following the publication of its final report.

Jessica Morden: In Wales, a staggering one fifth of households are on pre-payment meters, paying up to £330 a year more for gas and electricity than those on the cheapest tariff. It is particularly important for Wales, and for those 7,200 households in my constituency, that we know which recommendations the Government will be working on with the CMA and Ofgem and when constituents will start to see the benefit. Can the Minister be specific?

Amber Rudd: We do not yet have the specific recommendations, but the hon. Lady will, like me, be aware that what we have had proposed so far in the draft recommendations is a safeguard tariff for those people on pre-payment meters. It is not clear yet whether that will be temporary or long term, but we will look carefully at the recommendations of the CMA to get the best outcome for the most vulnerable customers, which, I know, she desires as well.

Clive Lewis (Norwich South) (Lab): May I just push the Secretary of State once more on that, as the 4 million households who are still languishing on rip-off pre-payment meters would really like more detail from her? Given that the Government's energy efficiency policies and fuel poverty strategy are in tatters, people would like more details on the timetable and when this will happen.

Amber Rudd: It is typical of the Opposition party that it is unable to understand the concept of the CMA, which is preparing this report. It is up to the CMA to come forward with the final recommendations, and it is its recommendations that we will be following. I must take issue too with the hon. Gentleman's reference to "tatters". This Government are absolutely committed to helping the most vulnerable. We are proud of the work that we are doing to reform our various schemes so that we can support the most vulnerable, and that is something that we will continue to do to ensure that we always support the people most in need.

Liz McInnes (Heywood and Middleton) (Lab): May I press the Secretary of State a little further? My constituency of Heywood and Middleton is, sadly, in the top 50 for numbers of households with pre-payment meters, and

my constituents are being ripped off. What can the Secretary of State tell me that I can tell my constituents about how long they will continue to be ripped off by pre-payment meters?

Amber Rudd: I am sure that the hon. Lady has looked at the CMA's report. It has a proposal for a safeguard tariff, and we welcome that. It is one of the key reasons why we were keen to propose this review by the CMA. We are expecting it to come forward with the final report soon. When it does so, we will act on the recommendations and hope that it will deliver what we and she hope it will, which is support for people on pre-payment meters, who are often the most vulnerable.

State Aid Clearance: Scottish Islands

9. **Mr Alistair Carmichael** (Orkney and Shetland) (LD): When the application for state aid clearance for the remote Scottish islands will be submitted to the European Commission. [904997]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): We have had extensive correspondence with the Commission during the pre-notification process. The Government will publish as soon as we can the decisions about the contract for difference allocation round for all less-established technologies in pot 2, including strike prices. We will take all the steps needed to deliver the allocation, including submitting any necessary notifications to the European Commission.

Mr Carmichael: I am grateful to the Minister for that answer, but she will know that the application for state aid clearance for the island strike price has been ready and sitting in the Department since the new year. The continuing failure to submit it is causing enormous uncertainty and a massive loss of confidence among renewable energy generators in the Northern and Western Isles. Will she agree to meet me and the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), along with a delegation of local renewable energy developers, to discuss this so that she can hear from the horse's mouth and understand just how serious it is for our industry and our islands?

Andrea Leadsom: The right hon. Gentleman and the Chair of the Select Committee on Energy and Climate Change met my officials only recently to discuss these issues. I assure the right hon. Gentleman that my officials have also met several representatives of the renewables industry specifically to discuss remote island wind. I will certainly be happy to meet the remote islands forum again to discuss our decisions once we have taken them.

Mr David Nuttall (Bury North) (Con): Does the Minister not agree that the very fact that we have to go begging to the European Union before we can help our fellow citizens in this country amply demonstrates why we would be better off, and why those citizens would certainly be better off, if we left the European Union, took charge and were able to decide for ourselves how we spent taxpayers' money in this country?

Andrea Leadsom: What I can say as an Energy Minister is that the Government's position is that the UK should stay in a reformed European Union.

Coal-fired Power Stations

10. **Christina Rees** (Neath) (Lab): When her Department plans to start its consultation on the phasing out of coal-fired power stations. [904998]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): We are among the first developed countries to consult on phasing out coal. It is vital for our decarbonisation that we move away from the dirtiest fossil fuels, so holding a consultation is extremely important to make sure that we get views on how best to achieve our goal while ensuring energy security, which, as the hon. Lady will know, is non-negotiable. The consultation will begin in the near future.

Christina Rees: I am grateful to the Minister for her response. There are still many people in the UK, in Wales and, indeed, in my constituency of Neath, who work in or are connected with the coal industry. What assurances will the Minister provide that the consultation will be properly thought through and will take time to explore the issues thoroughly so as not to leave people unduly concerned for their livelihoods?

Andrea Leadsom: The hon. Lady is exactly right to speak out for her community, which is precisely why we are undertaking the consultation. We want to take all the factors into account. I am sure that she and Opposition Members will agree that it is right that we move away from the dirtiest fossil fuels over time, but in a measured way, taking into account the impact on local communities and their livelihoods and what other opportunities there are for them in the energy space and in the workplace. I can totally assure her that we will consult carefully.

Amanda Milling (Cannock Chase) (Con) *rose*—

Mr Speaker: We would reach the question tabled by the hon. Member for Cannock Chase (Amanda Milling) anyway, but if she feels an irresistible urge to ask a question now instead, she can do so.

12. [905000] **Amanda Milling** (Cannock Chase) (Con): If Rugeley B, a coal-fired power station in my constituency, shuts this summer, will my hon. Friend commit to working across Departments to ensure that any application for a new gas power station can be dealt with in a timely manner that will help to create future job opportunities for the highly skilled workforce at the plant?

Andrea Leadsom: I congratulate my hon. Friend again on all the work she has done on that. I know it is an incredibly important constituency issue for her. I met her and a number of colleagues only recently to talk about the possibility of coal-fired power stations due to close becoming new combined cycle gas turbines. I welcome and encourage her efforts to support such an outcome. I have already told her that I will happily write to the Department for Communities and Local Government to ask what more, if anything, can be done to make it easier for planning permission to be granted for a new CCGT on the site of an old coal-fired power plant, and

I will do that. She will be aware that DCLG is separately holding a consultation for those who are interested in making that transition, so that they can better understand the processes they would need to go through.

Renewable Heat Incentive

11. **Mary Robinson** (Cheadle) (Con): What steps she has taken to ensure that the renewable heat incentive is cost effective. [904999]

The Secretary of State for Energy and Climate Change (Amber Rudd): The renewable heat incentive is the world's first long-term financial support programme for renewable heat, and is central to our efforts to deliver renewable energy to consumers and businesses across the UK. In March this year, my Department launched a consultation on measures for the RHI. As is the case for everything my Department is doing, a central aim of this reform is to ensure that the scheme offers value for money and allows us to make the transition to cleaner heating technologies in a manner that is affordable for the UK.

Mary Robinson: I fully recognise the importance of supporting the biomass industry, but what assurances can the Minister give me and small businesses, medium-sized biomass firms and their local suppliers in my constituency?

Amber Rudd: I can assure my hon. Friend that the Government are providing support for small and medium-sized biomass companies through a range of incentives, including the renewables obligation, the feed-in tariff and the renewable heat incentive. We expect biomass to play an important role in industrial processes and district heating, where there are fewer alternatives for low-carbon technologies, and we want to ensure that we bring forward deployment in these areas.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The consultation that the Secretary of State mentioned reveals an intention by the Government to provide 55TW hours of renewable heat by 2020. That is 9% of UK heating, but it is 3% less than the original 2020 renewable heat target. How does she intend to hit that target, given that there is now a shortfall in heat and in transport?

Amber Rudd: It is more about the number of houses or businesses that we support for the renewable heat incentive and not always about the pure cost. It is not necessarily about the league table of costs, but rather about the outcomes that we get. We are consulting on the renewable heat incentive to ensure that we deliver the best value for the taxpayer. I am committed to making sure that we use the money in the most cost-effective way.

Dr Alan Whitehead (Southampton, Test) (Lab): The Secretary of State did not address the question of the relationship of the renewable heat incentive proposals and finances to the UK's contribution to the EU renewables target of 12% by 2020. As my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) mentioned a moment ago, we are still short of that target. Is the Secretary of State confident that the measures and finances that she has suggested in the new RHI proposals will enable us to reach that target, or is she actively considering other measures to make sure that we do?

Amber Rudd: The hon. Gentleman will be aware that the renewables target for 2020 covers building, heat, transport and electricity. The renewable heat incentive is a key part of that. That is why we have had the consultation. We will now examine those responses in order to ensure that we direct the funds that we have in the most effective way. We recognise that although we have made good progress towards the renewables target for 2020, there is more work to do. We believe that we have sufficient policies to address the need, but we are going to look at what else can be done, particularly in respect of buildings and transport, to make more progress from the halfway mark that we have reached so far.

Solar Photovoltaic Systems

13. **Helen Hayes** (Dulwich and West Norwood) (Lab): What assessment she has made of trends in the level of take-up of domestic solar photovoltaic systems since the relaunch of the feed-in tariff in February 2016. [905002]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): In the first quarter of our new, more sustainable cost control regime under FITs, six out of 11 deployment caps were reached, including the two largest of the four solar caps. Take-up of domestic solar photovoltaic systems is strong but still within the cap. We estimate that FITs will support over 178,000 new solar PV installations at domestic scale by 2018-19.

Helen Hayes: Domestic solar installers in my constituency report that demand for their services has plummeted over the past year, and domestic solar installations across the country are down 80% on this time last year. Will the Minister now acknowledge that the new tariff is too low and that the disastrous approach that this Government are taking to solar energy is effectively stopping individuals who want to make a contribution to combating climate change in their own homes by installing solar panels from doing so?

Andrea Leadsom: No, I do not recognise what the hon. Lady says. Solar deployment in this country has been amazing, and far in excess of all our expectations. Some 99% of solar installations have taken place since 2010—under this Government and the previous Government, not under the Labour Government. It has been a huge success story. As I have said, our subsidy regime takes into account the interest for the consumer who has to pay it and the developer who is continuing to build. Some of the caps have already been met and others are performing strongly.

Solar Thermal Support

14. **Tom Brake** (Carshalton and Wallington) (LD): What assessment she has made of the potential effect of the proposed removal of support for solar thermal on the UK solar thermal and cylinder manufacturing industry. [905004]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): We launched a consultation in March with proposals for reform of the

renewable heat incentive. As the right hon. Gentleman will be aware, the consultation, which closed on 27 April, included a proposal to withdraw RHI support for solar thermal technologies. We are looking carefully at all the responses. I can assure him that in coming to our conclusions we will consider all relevant factors, including the impact on the UK supply chain.

Tom Brake: Does the Minister accept that solar thermal has the lowest CO₂ footprint of all heating generation technologies, has no significant ongoing fuel commitments, has relatively low space requirements and is ideal for homes for vulnerable people because there is no requirement for homes to be heavily insulated? Why are the Government proposing to cut support for solar thermal?

Andrea Leadsom: I absolutely agree that it certainly plays a part, but I can tell the right hon. Gentleman that, as part of the reform of the RHI, we are trying to ensure that the budget offers the best value for money. Solar thermal requires the highest subsidy from the Government of all RHI technologies, and the evidence suggests that nearly 50% of RHI respondents said they would have installed it anyway, even without Government subsidy. We always need to look at the balance between keeping the costs down for the bill payer and supporting these technologies.

Green Research and Development

15. **Maria Caulfield** (Lewes) (Con): What steps her Department is taking to encourage growth in the green research and development sector. [905005]

The Secretary of State for Energy and Climate Change (Amber Rudd): With permission, Mr Speaker, I will take Questions 15 and 19 together.

The Government are taking steps to build on our proud history of energy innovation and are more than doubling our energy innovation budget over the next five years to a total of £500 million. With this budget we can continue to support the development of clean, cheap and reliable technologies and the growth of the green research and development sector across the UK.

Mr Speaker: We would take this question with Question 19 if the hon. Member for Montgomeryshire (Glyn Davies) were here, but he is not, so we will not. I do not know what has happened to the chappie, but I hope he is all right.

Maria Caulfield: I thank the Secretary of State for her reply. With the new Rampion offshore wind farm being based in the Newhaven enterprise zone in my constituency, and with the recent opening of the university technical college in Newhaven, does the Secretary of State agree that Newhaven town has the potential to be a hub for green research and development, and could she outline how the Government can support that?

Amber Rudd: I welcome the activity already under way in my hon. Friend's constituency and will of course be considering opportunities to support research, development and demonstration across the UK as we develop our energy innovation programme. I encourage her to speak directly with low-carbon energy funding bodies, which stand ready to support innovation in the

technologies that we will need in the future. I really welcome the development of the UTC, which is partnered with, among other companies, E.ON UK and EDF Energy. It has a specific focus on green engineering, so I think that there is a great opportunity there for Newhaven.

Barry Gardiner (Brent North) (Lab): The Government's emissions reduction plan has been promised by the end of this year, and the Secretary of State has said that it will address the current 10% shortfall for the fourth carbon budget, which was set back in June 2011. Section 14 of the Climate Change Act 2008 stipulates that the Government must lay before Parliament a report setting out how they will meet each carbon budget

"as soon as is reasonably practicable"

after setting it. Five years later, does the Secretary of State consider that she is now in breach of the Act, or does she have an unusually elastic definition of the phrase "as soon as is reasonably practicable"?

Amber Rudd: It is always a pleasure to receive such detailed questions from the hon. Gentleman. I can reassure him that I am fully aware of section 14 and the sections either side of it. I am clear that we will have an emissions reduction plan by the end of the year, as we have said, and that we have an obligation to come forward with our response to the fifth carbon budget. It is because we take these matters so seriously, and because this is a big, realistic and important challenge for the UK, that we are not rushing it.

Biomass Heating Industry: Renewable Heat Incentive

16. **Ronnie Cowan** (Inverclyde) (SNP): What assessment she has made of the potential effect of changes proposed in the renewable heat incentive consultation on the biomass heating industry. [905008]

The Secretary of State for Energy and Climate Change (Amber Rudd): My Department is currently considering responses to our recent consultation on reform of the renewable heat incentive. As part of this consultation, we have engaged extensively with the relevant trade bodies and industry stakeholders to understand the impact of the proposed reforms, including, specifically, the impact on the biomass industry.

Ronnie Cowan: Currently, the biomass industry directly supports the jobs of 11,500 people, as well as 590 companies, across the UK. With that in mind, will the Minister explain the UK Government's apparent lack of ambition with respect to the installation of biomass boilers, which will lead to job losses in this sector?

Amber Rudd: I am aware of the importance of the biomass industry to the hon. Gentleman, his constituency and, indeed, Scotland overall. That is why we are consulting on the issue to make sure that we are fair with the money we have and that we deliver best value for taxpayers. Small biomass has an important role to play. The RHI budget is in fact trebling by 2020-21. We remain committed to developing the RHI and biomass, and we will come back with responses in due course.

Oil and Gas: North Sea

17. **Hannah Bardell** (Livingston) (SNP): What steps she is taking to increase exploration for oil and gas in the North sea. [905009]

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): This year the Government have pulled out all the stops to support the oil and gas sector. This includes a fiscal package worth £1.3 billion over five years, £20 million for new seismic surveys and, of course, our core policy of establishing the Oil and Gas Authority, whose job is to maximise economic recovery from the North sea. This is a vital UK industry, and we are totally committed to keeping the UK continental shelf as an attractive destination for investment, securing hundreds of thousands of jobs.

Hannah Bardell: I thank the Minister for her answer, and I do appreciate the work that is being done. However, while the SNP welcomes the support announced in the Budget and what has been done, those who have lost their jobs in the north-east would not necessarily agree with her characterisation. It is essential that we listen to those in the industry who are calling for a strategic review of the fiscal and regulatory regime. What steps are being taken to review the tax rates and the investment allowance?

Andrea Leadsom: As I said, the Treasury has already taken enormous steps through fiscal policy towards the North sea to promote further oil and gas exploration. It is constantly looking at that; in fact, I am having a dinner next week to talk again to the maximising economic recovery group of operators and investors, the Oil and Gas Authority and so on to look at what more we can do, and the Treasury plays its full part in that.

However, we have to be clear that the Oil and Gas Authority is already transforming things such as production costs and the level of co-operation between different operators in the North sea. This is an incredibly important area. We have an inter-ministerial group, which I think is meeting again next week to discuss what more can be done. We are pulling out all the stops for the North sea.

Mr Peter Lilley (Hitchin and Harpenden) (Con): Although I sympathise with the constituents of the hon. Member for Livingston (Hannah Bardell) who have lost their jobs in the North sea, would not the best thing for them be for us to create new jobs by allowing fracking in Scotland for those very people, with those skills, who have been denied the prospect of such jobs by the hypocrisy of the SNP Government in Scotland?

Andrea Leadsom: I absolutely agree. Obviously, it is a matter for the Scottish Government to decide, but one of the policy options I am looking at in my Department, together with the Department for Business, Innovation and Skills, is what more we can do in the energy space for those who have lost their jobs. For example, an experienced offshore engineer may well be able to retrain to work with offshore wind or even nuclear. There are therefore other opportunities in the energy space, and I know the Scottish Government are looking at that. I would certainly be delighted if they wanted to think again about the importance of shale gas.

Topical Questions

T1. [904977] **Debbie Abrahams** (Oldham East and Saddleworth) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for Energy and Climate Change (Amber Rudd): Our Energy Bill receives Royal Assent today. It is a vital part of our plan to ensure that our families and businesses have access to secure, clean and affordable energy. We are delivering on our manifesto commitment to end subsidies for onshore wind. We are also using the opportunity to support the Oil and Gas Authority with powers to drive greater collaboration and productivity in the industry. I thank the Bill Committee and my hon. Friend the Minister for making this possible and going through the Bill in such painstaking detail to deliver it.

Debbie Abrahams: Evidence from the Universities of Leicester and York has shown that sick and disabled people are particularly at risk of fuel poverty, especially after the recent social security cuts by this Government and the previous coalition. Will the Secretary of State approach the Chancellor again to look at better targeting of warm home discount funding, especially after her rebuff from him just before the Budget?

Amber Rudd: The hon. Lady will be aware that this Government, and this Department specifically, are refocusing our support, as far as possible, on to those who are most vulnerable. We have just closed the consultation on the warm home discount and we are looking at the results. She can rest assured that we will, as far as possible, target it at those who are most in need, which is the right thing to do.

T3. [904979] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): I have been contacted by a number of constituents who are concerned about fracking in Dorset. What reassurance can the Minister give to me and to my constituents about environmental considerations, about issues of public consultation and letting local residents have their say, and, importantly, about fracking being considered only in appropriate locations?

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): I can absolutely assure my hon. Friend that the UK has more than 50 years of safely regulating onshore and offshore oil and gas. We have the best regulatory environment in the world. The Environment Agency looks very carefully at any proposals for hydraulic fracturing, the Health and Safety Executive monitors all activity in that area, and of course local authorities will consult widely with their local communities. I am desperate for local communities to be given the proper facts—that is a really important part of the job for us and for local authorities to do.

Lisa Nandy (Wigan) (Lab): I think that people across the country will be really concerned by the lack of an answer in the response just given by the Minister. They will also be looking very closely at Ryedale, where North Yorkshire County Council is set imminently to make a decision about whether fracking should be given the green light there. If so, will she extend the same courtesy to that community as she has extended to

communities affected by wind farms and promise the people of Ryedale that she will not override their wishes and impose fracking against their will?

Andrea Leadsom: With regard to safety is absolutely paramount the industry for hydraulic fracturing. If there was any likelihood, chance or risk of any of the issues in the scare stories that the hon. Lady likes to propagate being real, this Government would not be looking at promoting this vital industry. We provide 40% of our own natural gas; the rest is imported from overseas. It is vital for our energy security that we continue to use home-grown resources wherever we can. It is also a massive jobs and growth opportunity for very many communities where employment is desperately needed, and she should take some interest in that.

Mr Speaker: The Minister, rather like the hon. Member for Brent North (Barry Gardiner), cannot be accused of excluding from her observations anything that might be in any way, at any time, to any degree material. She is certainly comprehensive; we are most grateful.

T5. [904982] **Henry Smith** (Crawley) (Con): What progress has my right hon. Friend's Department made in working with the big energy suppliers such as EDF Energy, partly located in my constituency, with regard to the roll-out of smart meters for the benefit of consumers?

Amber Rudd: I can assure my hon. Friend that we are working closely with all energy suppliers on those aspects of the roll-out to ensure that the consumer benefits are fully realised. Good progress has been made so far, with over 3 million meters installed, and there is evidence that those consumers are already saving energy. Recent research by British Gas shows that consumers with smart meters have reduced their energy consumption by around 3%, on average, for both gas and electricity.

T2. [904978] **Tom Brake** (Carshalton and Wallington) (LD): I hope that this will be a case of third time lucky. I have asked the Housing Minister this question twice, and I have also notified the Secretary of State's office of the question, so I hope I am going to get a reply. What is the difference in the annual energy bill that a family in a zero-carbon home would have to pay as opposed to a family in a home that has the insulation and energy efficiency standards that the Government propose?

Amber Rudd: The right hon. Gentleman's question starts from an incorrect premise. [*Interruption.*] I am trying to answer his question; bear with me. I think that he is referring to the zero-carbon proposal that was rejected by the other place last night, although it was agreed that a review would be ongoing. The problem with zero-carbon homes, as conceived in the Bill, was that they would add costs to the house. If we add costs to the house, we add costs, ultimately, to the house owner, the consumer and the bill payer. The problem with the allowable solutions portion was that it would act as a tax on home builders and, ultimately, it would be of no benefit to the homeowner.

T8. [904986] **Dr Tania Mathias** (Twickenham) (Con): The Committee on Climate Change recommended in its 2015 report to Parliament that the Government produce an effective policy framework on aviation carbon

dioxide emissions. Part of that plan was that UK emissions in 2050 should not be higher than those in 2005. Will the Department work with the Department for Transport to publish such an important policy before a decision on a new runway is made?

Amber Rudd: My hon. Friend has incorporated quite a few questions into that one question. What I can say to her is that the most important element of addressing airport emissions is to have an international agreement. We do not want to have a situation where the UK is trying to do something independently; it is important to have such an agreement EU-wide and internationally. We tried to get the proposal that she mentioned incorporated into the Paris climate change agreement, but it was not, so we are working with international partners through the International Civil Aviation Organisation to try to achieve an international agreement this autumn. I will certainly keep my hon. Friend updated.

T4. [904981] **Rachael Maskell** (York Central) (Lab/Co-op): I am going to push the Minister of State further on fracking, because a week tomorrow an important decision will be made. In Ryedale, one energy company wants to frack the beautiful landscape just south of the North York Moors national park. More than 4,000 well-informed local people want to protect their local community and environment. Who should have the greatest influence?

Andrea Leadsom: I say again: the shale industry is vital to the UK's energy security future, and we absolutely support the idea of local consultation and local people having their say, but as in all planning matters—*[Interruption.]* If the hon. Member for Wigan (Lisa Nandy) could just stop chuntering for one minute—every time I try to answer a question, she chunters. There is a balance between the absolutely right case that local people should have their say, and the national interest. That is why there is a very clear local consultation process, and that is why the people of Ryedale will have their views taken into account and the local authority will balance up those interests.

Bob Blackman (Harrow East) (Con): What progress has my right hon. Friend made in securing new nuclear power stations and, in particular, modular power stations of a smaller scale?

Amber Rudd: My hon. Friend is absolutely right: new nuclear is an essential part of a secure, reliable energy system. We are supporting new nuclear, but we are also particularly enthusiastic about small modular reactors, which is why my right hon. Friend the Chancellor doubled the funds for our innovation budget and we have launched our competition. We hope that it will bring forward a great array of different proposals so that we can take forward a number of them.

T6. [904983] **Mary Creagh** (Wakefield) (Lab): Citizens Advice estimates that 7,300 households in Wakefield are paying over £400 a year more for their gas and electricity than they should be paying because they are stuck on prepayment meters. Last month, the Competition and Markets Authority recommended a price cap to protect my constituents from this indefensible overcharging. This week, we hear that the chief executive of the CMA

is to be the Department's new permanent secretary. Does that mean we can look forward to him implementing his own recommendations in the very near future?

Amber Rudd: Forgive me for making no comment about the appointment. I certainly share the hon. Lady's view that prepayment meters need reform, that we need the safeguard tariff that the CMA has proposed and that it is unacceptable for the most vulnerable customers—usually those on the lowest incomes—to be stuck on higher tariffs. We will support the CMA to ensure that it delivers on that.

Steve Double (St Austell and Newquay) (Con): Cornwall produces the world's finest china clay, but the industry faces a significant increase in its costs due to the proposed implementation of the EU emissions trading scheme. Does my right hon. Friend agree that the Government should do all they can to make sure British industry is not put at a competitive disadvantage as a result of energy costs, and will she meet me specifically to discuss what we can do to support the china clay industry?

Amber Rudd: I would be delighted to meet my hon. Friend, who I know is a strong champion for the china clay industry in his constituency. The EU ETS provides an important role in levelling out competitiveness within the EU to make sure that our intensive industries are protected. I will meet him to ensure that his industry receives a fair settlement.

T7. [904985] **John Nicolson** (East Dunbartonshire) (SNP): The Minister will be aware of the devastating Super Puma helicopter crash in Norway less than a fortnight ago, which killed 14 people, including Iain Stuart from Laurencekirk. Super Pumas have ditched in the North sea three times since 2009, citing problems such as gear box and oil pump failure. We do not yet know the cause of the crash on 29 April, but 14 families, including Mr Stuart's, will be desperate know what it was. Will she engage with her counterparts in Norway to ensure that any lessons learned from their investigations can be applied to offshore commercial helicopter flights in the UK?

Andrea Leadsom: We were all completely devastated to hear about that crash. Having been on one of those helicopter trips to an offshore rig, I have seen the amount of effort and the focus there is on health and safety, and that makes it doubly tragic. The hon. Gentleman will be aware that the UK Civil Aviation Authority has grounded the helicopter model involved. I assure him that we are working very closely with it and with colleagues in Norway to understand exactly what happened so that we can make sure that it cannot happen in the future.

Michelle Donelan (Chippenham) (Con): Does the Minister agree that historic market towns built for the horse and cart, such as Bradford on Avon in my constituency, could not cope, because they do not have the infrastructure, with the extra traffic that fracking will bring?

Andrea Leadsom: I absolutely think that is one of the factors any local authority planning committee will take into account. That is precisely the point of having

local authority involvement and a community say, because local people of course know best what is suitable for their area. Local planning is one aspect of this, but the whole safety regulatory environment—the Health and Safety Executive and the Environment Agency—is, nevertheless, absolutely vital. I assure my hon. Friend that there will be no compromise either on safety or on the view of the local community.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Secretary of State will know that we now have scientific evidence that noxious fumes from diesel engines are poisoning our children and poisoning our air. Are those fumes also related to the deterioration in our climate?

Amber Rudd: I share the hon. Gentleman's concerns about pollution and air quality. It is because of those concerns that this Government are so committed to delivering on the Climate Change Act 2008. It is absolutely clear that the problem also derives from the support for diesel. Basically, we have all been misled on diesel, and I hope we can look carefully at how to make sure—for example, by ensuring no defeat devices are installed—that

that does not happen again. I will work closely with the Department for Transport to make sure we deliver on that.

Kevin Foster (Torbay) (Con): The Secretary of State will be aware of the continuing speculation about the Hinkley Point C project. Will she reassure me that, in any assessment of it, the Government will bear it in mind that it could create 25,000 jobs in the south-west during the construction period? Those are the skilled jobs that this economy desperately needs.

Amber Rudd: I thank my hon. Friend for that question and for giving me the opportunity to say how much this Government support the Hinkley Point project. We are delighted to be able to say that we expect it to go ahead and to deliver much-needed clean, secure, affordable energy. This Government are focused on a new nuclear programme, not only with Hinkley Point but with other new nuclear, because we are doing what the Labour party so dismally failed to do for 13 years, namely deliver on investment in infrastructure to the benefit of all consumers.

EU Migrants: National Insurance Numbers

10.35 am

John Redwood (Wokingham) (Con) (*Urgent Question*): To ask the Home Secretary to make a statement on the number of national insurance numbers issued to EU migrants.

The Minister for Immigration (James Brokenshire): For years, UK migration figures have been measured independently according to agreed United Nations definitions. Today's report by the independent Office for National Statistics is a clear endorsement of the validity of those figures. I welcome the clarity that the ONS has provided on this important issue, and am glad to have the opportunity to clear up some of the misconceptions about the figures for national insurance numbers and what those may mean for EU migration.

On 7 March this year, the Office for National Statistics published a note explaining why long-term international immigration figures could differ from the number of national insurance number registrations, concluding that the two series are likely to differ. At the same time, the ONS undertook to conduct further analysis of the issue. It has published its conclusions this morning; I stress that that is independent work carried out by an independent statistics authority. Its conclusions are clear. The ONS has now stated that the difference between the number of long-term EU migrants and the number of national insurance registrations by EU nationals can largely be accounted for by short-term EU migration to the UK, and that the independent international passenger survey remains

“the best source of information for measuring”

net migration. The ONS also says that national insurance figures are “not a good measure” of levels of migration, even if they are helpful for understanding patterns of migration.

A national insurance number can be obtained by anyone working in the UK for just a few weeks, and the ONS explains clearly that the number of national insurance registrations should not be compared with migration figures because they measure entirely different things. Short-term migrants have never been included in the long-term migration statistics, which are governed by UN definitions. There have always been short-term migrants who are not picked up in those statistics, but short-term migration will not have an impact on population growth and population pressures, as by definition short-term migrants leave the UK within 12 months of arriving.

The Government look forward to the ONS's follow-up note later in the year, which will set out its analysis in greater detail. We must now be careful not to distort the figures following the ONS's clear statement. I welcome its conclusions, which I hope provide reassurance to those concerned that national insurance data could suggest that the published migration statistics were inaccurate.

The Government take very seriously the need to reduce net migration to long-term sustainable levels, from the hundreds of thousands to the tens of thousands. We have taken a number of steps to achieve that, of which the Immigration Bill, which completed its

parliamentary passage this week, is just the latest. Clear and accurate statistics are integral to what we are seeking to achieve. I am pleased that today the ONS has, with its normal impartiality, confirmed that the statistics based on the international passenger survey that we use have the necessary integrity and remain the best measure for understanding net migration.

John Redwood: I am grateful to the Minister for his statement, but does he not accept that the very popular programme of making a substantial reduction in net migration that he, I and other Conservative MPs stood on at the general election is quite impossible to honour as a promise given the Government's own figures for migration, never mind the figures for national insurance? Migration has been running well above the maximum total that we suggested to the electorate. Does that not show that all the time we stay in the European Union we cannot control EU migration in the way we promised at the general election? Does the big difference between the national insurance numbers and the migration figures have implications that will worry Members across the House, given the impact on public services?

Over five years, 1.2 million additional people came to the UK, got a job and a national insurance number, and lived here for a considerable time, even if some of them have now departed. Those people needed doctors surgeries, school places for their children, and so on. In the past two years, an additional 1.1 million people have registered for GP services. That implies that national insurance numbers are closer to the truth, and that we need to consider those figures as well as the formal migration numbers when planning public provision.

Does the Minister share my concern that we are not offering a sufficiently good welcome in terms of GP places, health facilities and school places, and that that is putting a lot of pressure on settled communities and not offering something good to the newcomers? Does he share my wish to get a grip on that, so that we can properly plan our public services? The note that was slipped out—fortunately Mr Speaker allowed this urgent question—does not explain that discrepancy or deal with the fundamental point that if someone comes here, works and gets a national insurance number, we must provide public facilities for them.

James Brokenshire: I am grateful to my right hon. Friend for allowing me to clarify those points, and today's statement from the ONS is clear. As Glen Watson, the deputy national statistician for population and public policy, said:

“We are confident the International Passenger Survey remains the best available way of measuring long-term migration to the UK.”

My right hon. Friend correctly highlighted the pressure on public services, and the Government remain committed to reducing net migration to the long-term sustainable levels that existed before the previous Labour Government. We remain focused on achieving that, which is why we have taken steps to reform the visa system and to confront illegal migration. Measures in the Immigration Bill, which the House approved earlier this week, are pivotal to that.

The ONS is clear that we should not be looking at national insurance numbers for an assessment of the pressures of migration. Some have suggested that leaving

the EU will in some way deal with the migration issue, but we need only consider the examples of other countries that have decided to be outside the EU yet have free movement and pay into the EU budget. There is an idea that things would be better outside the EU, but I find it inconceivable that we would have access to the single market and not have those issues of free movement.

We must also stress the important achievements of the Prime Minister in his renegotiation, and in putting the welfare brake into effect and dealing with some of those pull factors, as well as important steps on deregulation. He secured important elements in that renegotiation for the benefit not just of the UK, but of the EU as a whole. We must grow that economy and see other European nations succeeding and creating jobs and employment in the way that this country has done. I recognise the concerns that my right hon. Friend has rightly highlighted about public services. Those issues remain a concern of this Government, but we have taken, are taking and will continue to take action to see net migration figures reduce to sustainable levels, and to address concerns about public services and the pressures on our communities.

Rob Marris (Wolverhampton South West) (Lab): Unlike my notorious predecessor in Wolverhampton South West, I see some positives to immigration. The right hon. Member for Wokingham (John Redwood) prays in aid the pressure on GPs—and there are pressures—but many GPs in the United Kingdom, particularly in areas such as mine, have trained overseas and are helping our constituents. The European Union brings us jobs, prosperity and environmental benefits through shared programmes, and it increases the sovereignty and security of our country. One in five carers looking after our growing older population have come to Britain from the EU and elsewhere, and it is currently estimated that 1.2 million UK citizens are taking advantage of the free movement of labour and are working or living overseas in the EU. It is a two-way process.

On the statement from the ONS, Glen Watson said this morning:

“National Insurance number registrations are not a good indicator of long term-migration. This research shows that many people who register for National Insurance stay in the UK for less than a year, which is the minimum stay for a long-term migrant according to the internationally recognised definition.”

I am grateful to the Library for its helpful brief, dated 8 September 2015, in which it cites the HMRC national insurance manual, which says, among other things:

“Initially applicants need to make an application”—

for a national insurance number—

“by phone...They may then be required to attend an interview at a DWP JobCentrePlus office, as HMRC’s guidance explains”.

It then goes on to cite the guidance. I suspect that, like me, the right hon. Member for Wokingham, when he turned 15, got his first job and had to go in person to apply for a national insurance number. He shakes his head. That is what I had to do and that was the general system then, but perhaps he did not start work at 15 in a factory, as I did. The Government should look again at the system, rather than simply mailing out national insurance numbers. I am not advocating a change; I am advocating that they look again at the desirability of the system of face-to-face interviews for everyone.

James Brokenshire: The hon. Gentleman’s last point is obviously a matter for colleagues in the Department for Work and Pensions, and clearly we continue to assess these matters, but his key point was about the long term versus the short term. The clear statements from the ONS highlight that the right measure to look at is the long-term immigration measure through the international passenger survey data. That is the clearest way to set out the pressures of migration. The ONS has also said very clearly that national insurance numbers are not an appropriate measure of assessment for that purpose. Yes, they indicate trends or patterns, but for overall net migration numbers the international passenger survey remains conclusively the best measure we have, and it is right that the Government use it, as we have been doing consistently, in line with the UN definitions for that mechanism. I note what he says and his endorsement of the ONS’s report this morning.

Mr Kenneth Clarke (Rushcliffe) (Con): Has my right hon. Friend seen the report by the London School of Economics this morning demonstrating that wages in this country have continued to rise strongly since the first flood of arrivals to this country from Poland and elsewhere, and that the fall in wages in recent years was plainly caused by the deep recession—the worst since the second world war—in 2007? This refutes other anti-immigrant arguments that some of the Brexiteers keep using in the present campaign. Does he accept that the real migrant crisis facing him and this country is the problem of how to deal, in a civilised and effective way, with the flood of people coming from war and anarchy in the middle east and north Africa, and that the problem is not Polish construction workers and Romanian nurses, who make a valuable contribution to the economic life of this country?

James Brokenshire: I must confess that I have not had the opportunity to see the LSE report to which my right hon. and learned Friend has referred, but I shall seek it out after I have left the Chamber. He clearly makes a strong point about the challenges we face in dealing with the migration crisis, and obviously the Government are taking clear steps, both in region and in Europe, to respond to and deal with that. On the issue of new EU members, the Government are clear on how we would use our veto if we were not satisfied with the terms on which a country was to join the EU—in terms of convergence with the economies of the EU and those issues, which we recognise, of free movement. We have that veto and will certainly use it, if we are not satisfied with the terms of entry.

Several hon. Members rose—

Mr Speaker: Order. As I have myself been reminded, Members will, I am sure, have it in the forefront of their minds to refer to national insurance numbers in the context of this urgent question. That is at its heart, as I feel sure Dr Eilidh Whiteford is well aware.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I am indeed, Mr Speaker. I welcome the publication of the data this morning because it can only help to give us a better understanding of migration patterns, notwithstanding the fact that, on their own, I do not think that these national insurance registrations are a reliable indicator for measuring long-term international migration.

[Dr Eilidh Whiteford]

It is vital that we remember that migration is a global phenomenon, not just a European issue, and that it is very much a two-way street. In Scotland, we are all too aware that for generations migration has meant that many of our citizens have moved abroad. Even now, many of our most highly qualified young people leave to build careers in other parts of the world. I am also conscious that in some sectors of our economy we are heavily dependent on migrant labour, not least for our NHS, but for other parts of our public and private sectors. Migrant workers not only contribute to our economy, but help to anchor the jobs of the local workforce in the UK. What assessment have the Government made of the number of UK industries and UK jobs that depend on the free movement of labour within the EU? Will the Minister be forthright in dispelling myths about migration and in articulating the contribution that migrant workforces make to our economy?

James Brokenshire: As a Government, we have always been clear that we want to attract the skilled and the talented, the brightest and the best to contribute to the UK's economic growth. We therefore have a very clear policy for visa nationals from outside the EU in response to that. When it comes to the EU, what we are more concerned about is the perhaps artificial draw that might come from benefits, and we also want to ensure that we have a skilled workforce in the UK to meet the needs of the economy. That explains the Government's important work on apprenticeships through the apprenticeship levy and indeed the skills levy that we will introduce in respect of skill visas. We want to provide people from this country with the right skills to meet those needs so that we are not overly reliant on labour from outside the UK.

Dr Liam Fox (North Somerset) (Con): The publication of the NI figures is simply one more confirmation that there is no chance—zero—of us fulfilling our promise to the British people to reduce immigration to the tens of thousands, unless there is a restriction on the free movement of labour within the European Union. The Minister mentioned the renegotiation, so will he tell us why the Government did not attempt in any way to get a reduction in that free movement as part of that renegotiation?

James Brokenshire: We remain focused on reducing net migration to those sustainable levels, and my right hon. Friend well knows that the renegotiation to which I referred brought about the welfare brake and indeed improved competitiveness across the UK by dealing with unnecessary bureaucracy. If we look at the differences between economies across the EU, we can see how that reformist agenda that the Prime Minister has championed is essential. As I have said, we are taking steps within the UK to ensure that we have the right skills for the UK workforce as well.

Mr Dennis Skinner (Bolsover) (Lab): There is nothing new in an influx of east Europeans. The displaced persons system that operated immediately after the end of the second world war helped millions of people from around Europe who were without jobs and without states. I worked with many east Europeans in the pits on

the basis that they were members of our union, the National Union of Mineworkers, and got paid the same money as we did. They did not undermine other workers in the traditional industries and some of them were very involved in the trade union movement. Today, however, thousands and millions of people are on the move, but the Government cannot see the possibility of doing what we did in the late '40s by insisting on union recognition, the same pay for everybody and no undermining of workers' rights. The net result would be no problem at all, and UK Independence party's rise would disappear like snowflakes on an oven.

James Brokenshire: The hon. Gentleman has made his point in his customary colourful way, but the facts that we see before us show that national insurance numbers—which, after all, are what the urgent question was about—are not a good measure when it comes to the long-term issue of migration. The hon. Gentleman may be more interested in talking about snowflakes and union recognition, but I think that those are matters for another debate.

Sir Edward Leigh (Gainsborough) (Con): I am not sure that I saw the Minister last night at the world premiere of "Brexit: The Movie". Unfortunately, it is not a war film.

A few months ago, the Prime Minister was telling us that unless he got his way on migration, he would consider leaving the European Union. That involved a minor change in migration figures and controls. The Prime Minister now says that if we left the EU, there might indeed be a third world war. I have a graph here, so that Members can see the difference between the two figures. Does not that mismatch show that we have no idea of the net migration figure? Migration is out of control. We need to regain control of our borders, and that is what the Minister should have done by means of an emergency brake.

James Brokenshire: I was not at the opening night of "Brexit: The Movie" to discover whether my hon. Friend had a starring role in it, so we shall have to wait and see.

The Office for National Statistics makes very clear that, in its judgment, the passenger survey is still the right way of assessing net migration, and that is the measure that the Government will continue to use.

Mr David Winnick (Walsall North) (Lab): I am very disappointed, because I came into the Chamber hoping to see conspiracy exposed over national insurance numbers, and there is no conspiracy. It has been a disappointing day.

James Brokenshire: I am always sorry to disappoint the hon. Gentleman. His disappointment is obviously a result of the clarity that the Office for National Statistics has provided.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I remind my right hon. Friend that the report produced by the Public Administration Committee during the last Parliament cast grave doubt on the accuracy and reliability of the immigration statistics? The annual passenger survey is just that: a survey of a sample of passengers entering the United Kingdom. Those statistics

may well be “the best way” of measuring our immigration, but the Committee decided that they were not a reliable way of measuring immigration, and the very large rise in national insurance numbers shows that there is something else going on.

May I also remind my right hon. Friend that the last census showed that the British population was larger by 467,000 than the Government had understood it to be, and that a very large proportion of that was due to unrecorded immigration? We do not have control over immigration into this country, because all EU citizens and their dependants have the right to come here, and the Government have no means of excluding them even if they are criminals and terrorists.

James Brokenshire: We do, in fact, exclude from the EU those who may be involved in criminality or terrorism, and the Prime Minister’s renegotiation has actually strengthened our ability to remove them. As for the annual passenger survey, the Office for National Statistics has made it very clear that it remains the best measure for determining net migration. The national insurance numbers do not provide such a measure. I am sure that the ONS, as an independent body, will continue to review the position and assess what improvement may be made, but today it has been specific in stating that the passenger survey is the most effective measure.

Diana Johnson (Kingston upon Hull North) (Lab): Can the Minister confirm that the number of Jobcentre Plus offices that are able to issue national insurance numbers has been reduced? I have been told of someone who applied in York, only to be told that they had to travel to Hull to get a national insurance number.

James Brokenshire: I will write to the hon. Lady, having consulted colleagues from the Department for Work and Pensions.

Mr Speaker: I call Sir Gerald Howarth. [*Interruption.*] I thought that the knight from Hampshire was standing. Never mind. We will hear from the hon. Gentleman on another occasion, I feel sure. I call Mr Damian Green.

Damian Green (Ashford) (Con): This is going to be a slightly different question from the one you were expecting, Mr Speaker. I am delighted that the Office for National Statistics has published this report to bust the myth that these national insurance numbers expose something about the immigration system. The report states explicitly that the main contributors to these national insurance numbers are people who are here for less than a year and will therefore not be included in the Government’s immigration targets and have nothing whatever to do with them. To be kind to those who are arguing the case for Brexit, I think they believe that short-term migrants are as bad as long-term migrants in many cases. That being the case, will the Minister acknowledge that many groups of short-term migrants—including 27,000 teachers, 28,000 care workers and 60,000 seasonal workers in the farming industry—do tremendous things for this country, both in our public services and in the private sector?

James Brokenshire: I am grateful to my right hon. Friend for making that clear point. He recognises, as I do, the benefit that we gain from the short-term migration

of EU workers. Others who fall into that category include students on short-term courses, short-term contractors and, as he has pointed out, seasonal workers. The point is that this migration is short term: those people leave and therefore do not contribute to the long-term pressures.

Greg Mulholland (Leeds North West) (LD): Is it not the case that national insurance numbers that have been issued are not subsequently removed? Has the Minister made an estimate of how many of the numbers relate to people who are no longer here? Will he also gently ask the Brexit campaign not to descend into dog-whistle politics over immigration?

James Brokenshire: It is important that we focus on the issues at hand this morning—namely, the national insurance numbers and the best measure for assessing long-term migration. That is what the Office for National Statistics has clearly set out, and that is the issue that we should focus on. The hon. Gentleman makes an important point about the national insurance number system, but clearly that is not the best mechanism for assessing the overall impact.

Mr John Baron (Basildon and Billericay) (Con): These figures clearly lay bare the fact that the Government are powerless to control EU immigration for the benefit of our public services. How do the Government justify our present immigration system, which unfairly discriminates against economic migrants from outside the EU? Would it not be better, on leaving the EU, to design a fairer immigration policy with a level playing field for nationals of all countries, some of whom might be better qualified?

James Brokenshire: I will leave it to the hon. Gentleman to make the case for having a visa system for all EU nationals, which is what he appears to be suggesting. The Government have a clear approach to controlling migration from outside the EU through our skills-based visas and through other routes, as well as to dealing with the pressures that we have highlighted, with economic competitiveness and with draws such as the welfare system.

Jim Shannon (Strangford) (DUP): With discrepancies of 1.2 million national insurance numbers being reported, and with EU immigration increasing, it has become harder to tell whether new arrivals will stay for just a few months or for more than a year. This means that passengers from the EU who want to live permanently in Britain might have been incorrectly designated as visitors. What has been done to ensure that people coming from the EU are correctly identified, particularly in these difficult times when accurate figures are vital and being transparent is key to creating trust among the British people?

James Brokenshire: I agree with the hon. Gentleman’s point about the need for clarity and certainty in relation to the numbers. We have looked to the Office for National Statistics, which operates independently of me, of the Home Office and of other Government Departments, to give us that clarity. It has judged that the international passenger survey is the best and most appropriate measure for that, and it continues to review, as it does from time

[James Brokenshire]

to time, how best to ensure that it captures effective data from its interviews and how those data are extrapolated to produce its quarterly numbers.

John Glen (Salisbury) (Con): I recognise what the Minister has said about the reliability of the national insurance figures as a measure of immigration, but he must accept that there is significant uncertainty and ambiguity in the perception of the complete picture. Given the significant pressure on public services, I urge the Minister to respond to those concerns and perhaps outline what he thinks could be done to provide a more balanced overall picture of immigration and to address the grave concerns out there.

James Brokenshire: Obviously, one of the key elements is that we need a strong economy to be able to support our public services. As for the pressures on particular communities, the Government are introducing a controlling migration fund to assist those that may be specifically affected by population increases linked to migration, and we will continue with reforms to control migration.

Mark Durkan (Foyle) (SDLP): The Minister knows that I represent a border constituency with a natural hinterland. I have constituents who cannot get national insurance numbers. They have worked in the south and are pensioned from the south, but they pay tax in the UK and have been issued with UK tax numbers under double taxation rules. However, they cannot get national insurance numbers. Can the Minister assure me that the sensitivity around the statistics and the nonsense about EU migrants are not factors in their predicament?

James Brokenshire: I will certainly ensure that his comments about people's ability to obtain national insurance numbers are passed on to colleagues at the Department for Work and Pensions. I point the hon. Gentleman to the ONS's clear statement on the lack of a connection between national insurance numbers and long-term migration and to what I have already indicated about the best measures.

Mr Peter Bone (Wellingborough) (Con): It is quite clear from the Minister's answer to the urgent question that there are more EU migrants here at any one time than was previously thought. That is now not in doubt. I suspect that the Minister is a good poker player, because he can clearly bluff and misrepresent the facts.

Mr Speaker: Order. I am sure that the hon. Gentleman would not wish to suggest that a Minister had misrepresented someone else.

Mr Bone: Indeed, Mr Speaker. What I was trying to say, clearly rather clumsily, was that the Minister would be a very good poker player. He is an excellent Minister, and I want to give him some career guidance. The Prime Minister clearly requires that immigration numbers come down to the tens of thousands, but these NI numbers prove that that cannot possibly happen while we are in the EU, so could he advise the Prime Minister to change his position on the EU and recommend that people vote to come out, and the Minister can keep his job?

James Brokenshire: I am always grateful for advice from my hon. Friend on a range of issues, but I am sorry to disappoint him that we differ in our positions on the EU. The UK will be stronger, more secure and better off by remaining in the EU.

Bob Blackman (Harrow East) (Con): My hon. Friend has given an exposition of the position. However, there is clearly large-scale EU migration to this country by people who want to work, and our public services and many of our service industries depend on those people coming to do those jobs. In my constituency, the number of EU nationals has grown from 1,000 in 2010 to 10,000 in just five years. It cannot be said that that is not a long-term trend, because it clearly is. At the same time, when it comes to people from the Commonwealth, some of my constituents cannot get their relatives in and businesses cannot get skilled people in to do jobs that are required.

James Brokenshire: Clearly, the net migration statistics show the challenges that remain in relation to both EU and non-EU migration, and how those numbers continue to be much higher than we want them to be. That is why we continue on our reform agenda. On visas from outside the EU, we have the shortage occupation list to prioritise those skills that are particularly needed, so that visas can be granted where there are gaps.

Marcus Fysh (Yeovil) (Con): The statistics published today show that the number of national insurance numbers has risen exponentially since 2003, from just over 100,000 to 700,000. I do not believe that what the Minister has said about the data clarifying the issue is the case, because there is a variation in the estimate for the short-term element of more than 200,000. The Government think that, over the next 14 years, 3 million more people will come here from the EU to settle on a long-term basis—at current rates, the figure will be 5 million. This has a tremendous impact in every constituency, including mine, on housing, jobs and services. I just ask: do the Government not care about that?

Mr Speaker: Order. May I gently point out that listening to and observing our proceedings today are quite a large number of schoolchildren? If they asked questions in class that are as long as the questions we are getting today, they would probably be put in detention.

James Brokenshire: I certainly would not want to end up in detention, so I shall try to be as brief as I can in my answer. Let me direct my hon. Friend to the report, as it says that short-term migration to the UK

“largely accounts for the recent differences”

on the number of long-term migrants and that the international passenger survey is the “best source of information”. Clearly, we care about pressure on public services, which is why I have consistently made the point during this urgent question about the continued reforms that the Government are making to control migration.

Chris Heaton-Harris (Daventry) (Con): That last question warranted not a detention but a gold star. I am a great believer that the waves of migration that our country has had have been unbelievably beneficial for the country I am proud to represent in this place. However, I am

disappointed with the Government, because on 10 March I asked for these numbers to be released and yet for some reason, through the cloak and daggers and smoke-filled rooms behind different Ministries, these supposedly benign figures could not be released at that point. Why was that?

James Brokenshire: A clear amount of detailed work has been conducted by the ONS to produce today's report, drawing together different information from the Department for Work and Pensions, Her Majesty's Revenue and Customs and its own assessment. I hope my hon. Friend will recognise that the report comes independently from the ONS, in order to give that assurance and clarity, which I think it does give.

Henry Smith (Crawley) (Con): Is the IPS not, by definition, random and self-selecting? Is not the best way to measure the number of people in this country to ensure that passports or identity cards are swiped on the way into it and on exiting it?

James Brokenshire: The ONS clearly says that the IPS is the best measure available to assess our long-term net migration numbers. We will continue to see how issues such as the availability of exit check data may help to enrich and support the ONS's analysis, but its report's conclusions today make it clear that the IPS remains the best measure.

Mr David Nuttall (Bury North) (Con): National insurance numbers are obtained only by those who want to work legally and pay their tax or claim benefits. Inevitably, some EU nationals will be in the UK working illegally. What assessment has the Minister made of the number of EU nationals working cash in hand without a national insurance number, taking the jobs of our constituents? What is he doing to prevent illegal working by EU nationals?

James Brokenshire: My hon. Friend makes an important point about illegal working. It is why the new Immigration Bill, which we have been debating this week, includes new measures to target those engaging workers who do not have those rights to be here. Indeed, we will continue to work across government with Her Majesty's Revenue and Customs and the Department for Work and Pensions to better identify those who are not complying with the rules and to take firm action against them.

Tom Pursglove (Corby) (Con): What assessment have Ministers made of future EU enlargement on these statistics in the years ahead, particularly given that those Ministers support Turkish accession?

James Brokenshire: There is no prospect of Turkey joining the EU any time soon. It needs to undertake significant steps as part of reform of a range of different elements, so that issue is not relevant to this. Again, let me underline how the Government will use their veto against any new country seeking to join the EU if they are not satisfied with the terms of that, particularly in relation to convergence and the impact that that would have on labour markets across the EU.

Matt Warman (Boston and Skegness) (Con): In my constituency, Boston has seen the highest level of eastern European migration anywhere in the UK, driven largely by seasonal work. I agree with the Minister that NI numbers would be a terrible way of measuring migration in an area such as mine, but does he agree that, in areas that have seen unusual concentrations of migration, we do need a better way of measuring migration if we are adequately to plan for public services?

James Brokenshire: Although I entirely recognise the point that my hon. Friend makes about the particular pressures that certain areas in the UK have experienced as a consequence of migration, I also recognise the benefits that are attached in terms of the contribution to our economy. It is why we are seeking to introduce the controlling migration fund, which will assist areas that are experiencing that growth in population linked to migration.

Mr Steve Baker (Wycombe) (Con): The Government's case rests on ignoring the arguments set out by my right hon. Friend the former Secretary of State for Work and Pensions earlier this week, particularly in relation to people shuttling to and fro for a few months at a time. That is a problem that the Minister's case would ignore by looking at the passenger service. If he will not listen to my right hon. Friend, will he at least listen to Lord Rose, the chairman of the pro-EU Britain Stronger in Europe campaign, who told the Treasury Committee that the wages of the lowest paid would rise if we left the EU and took control of migration?

James Brokenshire: I point my hon. Friend not only to the contribution that those who arrive here make to our economy—it is a net contribution of around £2.5 billion—and how important it is for our economy, but to the steps that we are taking to reduce those artificial pull factors. We need to focus not just on those pressures in our local areas, but on how we get the right skills for our economy to ensure that we are giving young people in this country the best opportunity, which is precisely what our apprenticeships programme is all about.

Martin Vickers (Cleethorpes) (Con): The Minister has sought to defend the Government's position by continually referring to short-term workers, but will he acknowledge that short-term workers are replaced by further short-term workers, and therefore the pressure on our public services is continuous, as are the diminished opportunities for UK citizens to get those jobs.

James Brokenshire: Assessing the pressure on the population is about long-term net migration. That is the clear measure that we use, and that is the UN definition. It remains absolutely the appropriate way to assess those issues in respect of the potential growth in population and it is why we do remain focused on the measure that the ONS has clearly set out today, which is the passenger survey, and that assessment of long-term net migration.

BBC

11.19 am

The Secretary of State for Culture, Media and Sport (Mr John Whittingdale): With permission, Mr Speaker, I should like to make a statement.

The Government are today laying before Parliament and depositing in the Libraries of both Houses a White Paper on the BBC charter review. The royal charter is the constitutional basis for the BBC. It is the framework for the way in which the BBC is governed and guarantees its independence. The current royal charter will expire at the end of 2016; today we lay out our plans for the next one.

The White Paper represents the culmination of 10 months' work. I thank everyone who contributed to the Green Paper consultation process, not least 190,000 members of the public. I am also very grateful to Sir David Clementi and his team for their independent review of the governance and regulation of the BBC, to the Committees in both Houses that made recommendations and to all the stakeholders, BBC representatives and others who helped inform our deliberations.

The BBC is one of the country's greatest institutions, and 80% of those who responded to our Green Paper said the BBC serves audiences very well or well. Every week the BBC reaches 97% of the UK population and 348 million people across the globe, informing, educating and entertaining them and promoting Britain around the world.

It is our overriding aim to ensure that the BBC continues to thrive in a media landscape that has changed beyond recognition since the last charter review 10 years ago and that it continues to deliver the best possible service for licence fee payers. So today we are setting out a framework for the BBC that allows it to focus on high-quality, distinctive content that informs, educates and entertains while serving all audiences; enhances its independence while making it much more effective and accountable in its governance and regulation; makes support for the UK's creative industries central to the BBC's operations while minimising any undue negative market impacts; increases the BBC's efficiency and transparency; and supports the BBC with a modern, sustainable and fair system of funding.

The BBC's special public service ethos and funding allow it to take creative risks, to be innovative, and to produce high-quality content. That means more choice for listeners and viewers. The BBC delivers a huge amount of outstanding programming, including in drama, news and current affairs, sport, science and the arts. Many programmes have received awards, not least at the BAFTAs on Sunday, and they demonstrate that, at its best, the BBC is still the finest broadcaster in the world. However, as the BBC Trust itself has recognised, in some areas the BBC needs to be more ambitious, particularly in its more mainstream television, radio and online services.

The BBC director-general has called for a BBC that is "more distinctive than ever—and clearly distinguishable from the market".

The Government are emphatically not saying that the BBC should not be popular. Indeed, some of its most distinctive programmes, such as "Life on Earth", "Wonders of the Universe" and "Strictly Come Dancing" on TV,

or the "Newsbeat" programme or Jeremy Vine show on Radio 1 and 2 respectively, have very wide audiences because they are so good.

With a 33% share in television, 53% share in radio and the third most popular UK website, and with only 27% of people believing that the BBC makes lots of programmes that are more daring and innovative than those of other broadcasters, commissioning editors should ask consistently of new programming, "Is this idea sufficiently innovative and high quality?" rather than simply, "How will it do in the ratings?" So we will place a requirement to provide distinctive content and services at the heart of the BBC's overall core mission of informing, educating and entertaining in the public interest, and we will also affirm the need for impartiality in its news and current affairs broadcasts.

The BBC's existing minimum content requirements will be replaced with a new licensing regime that will ensure its services are clearly differentiated from the rest of the market, enhancing choice for licence fee payers and backed up by robust incentive structures. The BBC will also be required to give greater focus to under-served audiences, in particular those from black, Asian and ethnic minority backgrounds and from the nations and regions, who are currently less well served. That will involve the BBC building on its new diversity strategy, maintaining out-of-London production quotas, and ensuring that it continues to provide for minority languages in its partnerships with S4C and MG Alba.

Over the next charter period, we want the BBC to be the leading broadcaster in addressing issues of diversity. For the first time, diversity will be enshrined in the new charter's public purposes. This, along with a commitment to serve all audiences in the BBC's mission, will help hold the BBC to account for delivering for everyone in the UK.

Looking beyond these shores, the BBC World Service is rightly considered across the globe to be a beacon of impartial and objective news. It is a vital corrective to the state-run propaganda of certain other countries. So we will protect its annual funding of £254 million for five years and also make available £289 million of additional Government funding over the spending review period, as announced by the Chancellor last year, so that the World Service can represent the UK and its values around the globe.

All organisations need a governance and regulatory structure that is fit for purpose. The BBC's is not, and it is no longer supportable for the BBC to regulate itself. Governance failures, including excessive severance payments and the costly digital media initiative, have illustrated that the division of responsibilities between the BBC executive and the BBC Trust is confusing and ineffective. As the independent review led by Sir David Clementi made clear, there is widespread agreement that reform is vital. I can announce today that we are accepting the review's recommendations.

The new charter will create a unitary board for the BBC that has a much clearer separation of governance and regulation. The board will be responsible for ensuring that the BBC's strategy, activity and output are in the public interest and accord with the missions and purposes set out in the charter. Editorial decisions will remain the responsibility of the director-general and his editorial independence will be explicitly enshrined in the Charter, while the unitary board will consider any issues or

complaints that arise post-transmission. For the first time, the BBC will have the ability to appoint a majority of its board independently of Government. This is a major change, as previously the BBC governors, and then the members of the BBC Trust, were all appointed by Government.

Ofcom has a proven track record as a regulator of media and telecoms. It is the right body to take on external regulation of the BBC. We will require Ofcom to establish new operating licences for the BBC, with powers to ensure that its findings are acted upon. Ofcom will also take charge of regulating the distribution framework and fair trading arrangements for the BBC. It will be a strong regulator to match a strong BBC.

The Government will introduce four further changes to make the BBC more accountable to those it serves. The charter review process will be separated from the political cycle by establishing an 11-year charter to 2027, with an opportunity to check that the reforms are working as we intend at the mid-term. This will be the third longest charter in the BBC's history, and allows for an orderly transition to the new arrangements. The BBC will become more accountable to the devolved nations; the complaints system will undergo long overdue reform; and new expectations will be set for public engagement and responsiveness. These are major changes to the way that in which the BBC is governed. They will take time to effect and it is important that this process runs smoothly, so the current BBC chair, Rona Fairhead, will remain in post for the duration of her current term, which ends in October 2018.

The creative sector is one of this country's great success stories, growing at twice the rate of the rest of the economy since 2008 and accounting for £84 billion of gross value added and nearly 9% of service exports. The BBC should be at the core of the creative sector, supporting everyone from established players to SMEs. It is already a major purchaser, spending more than £1 billion on the services of around 2,700 suppliers involved in making programmes for the BBC.

The BBC already allows up to 50% of its content to be competed for by the independent sector. The Government now intend that the remaining 50% in-house guarantee for television should be removed for all BBC content except news and related current affairs output. Unless there is clear evidence that it would not provide value for money, all productions will be tendered. There will be a phased introduction of this requirement, which will open up hundreds of millions of pounds of production expenditure to competition. Not only will this benefit the creative industries, but it is fundamentally a good thing for viewers and listeners, with BBC commissioning editors given greater freedom to pick the most creative ideas and broadcast the highest quality programmes.

The BBC plans to make its in-house production unit a commercial subsidiary. We support these plans in principle, provided they meet the necessary regulatory approvals. However, the BBC can, by virtue of its size and scale, have a negative impact on the media market, crowding out investment and deterring new entrants, so Ofcom will be given the power to assess all aspects of BBC services to see how they impact on the market, with proportionate powers to sanction. Rather than seeing other players as rivals, the BBC should proactively seek to enhance, bolster and work in partnership with the wider broadcasting and creative industries. There

will be a focus on that in the new charter. In particular, the BBC will support and invigorate local democracy across the UK, working with local news outlets.

The Government will also consult in the autumn on a new contestable public service content fund that will allow other broadcasters and producers to make more public service content in areas that are currently underserved, such as programmes for children and for black, Asian and minority ethnic audiences. It will be worth £20 million a year, and it will be paid for from unallocated funding from the 2010 licence fee agreement. There will be more transparency in the way the BBC promotes its own services, and a requirement to steer such activity towards areas of high public value. The BBC will be expected to share its content as widely as possible, and it will also be encouraged further to open up its archive so that other organisations and the public can enjoy its many treasures.

The BBC belongs to all of us. Making its archive more widely available is just one part of a broader opening up process. We want the BBC to be much more transparent, in particular about efficiency improvements. The BBC already plans to make £1.5 billion of savings by the end of this charter period, and the BBC Trust has driven some improvements in transparency, but the BBC needs to become more accountable to those it serves. Only 23% of the public believe that the BBC is efficient. Licence fee payers need the BBC to spend the nearly £4 billion they give it every year more wisely. The National Audit Office, which has an outstanding track record, will therefore become the financial auditor of the BBC and will have the power to conduct value for money investigations of the BBC's activities, with appropriate safeguards for editorial matters. The BBC will also be required to ensure that it is transparent and efficient in its spending by reporting expenditure by genre.

The BBC already publishes data on the salaries of its staff by broad bands, and the names and detailed remuneration packages of those in management earning more than £150,000. The public have a right to know what the highest earners the BBC employs are paid out of their licence fee. The new charter will therefore require the BBC to go further regarding the transparency of what it pays its talent and publish the names of all its employees and freelancers who earn above £450,000—the current director-general's salary—in broad bands. The Government also expect the new BBC board to consider other ways in which it can improve transparency of talent pay. The BBC will also be required to undertake a root-and-branch review of its research and development activity, laying out its objectives for the future.

Finally, the BBC needs a fair, accountable and sustainable funding system that is fit for the future. There is no perfect model for funding the BBC but, given the stability it provides and the lack of clear public support for any alternative model, the licence fee remains the most appropriate funding model for the next charter period. The licence fee has been frozen at £145.50 since 2010. We will end the freeze and increase the licence fee in line with inflation to 2021-22, at which point there will be a new settlement. In line with the other reforms to funding announced last July, this means that the BBC will have a flat cash settlement to 2021-22. This gives it the certainty and funding levels it needs to deliver its updated

[Mr John Whittingdale]

mission and purposes, and it will ensure that the BBC remains one of the best-funded public service broadcasters in the world, receiving more than £18 billion from 2017-18 to 2021-22.

Future funding settlements will be made using a new regularised process every five years, giving the BBC greater independence from Government. The licence fee concession for the over-75s will be protected during this Parliament, although voluntary payments will be allowed. We will give the BBC more freedom to manage its budgets. Protected funding of £150 million a year for broadband and £5 million a year for local television will be phased out. The World Service will be an exception to this, given its enormously important role.

The current licence fee system needs to be fairer, so we will close the iPlayer loophole, meaning that those who watch BBC programmes on demand will now need a TV licence like everyone else. There will be pilots of a more flexible payment system to benefit those on lower incomes and make it fairer for everyone. At the moment, people have to pay for the first year in only six months, meaning six much higher monthly payments. We will take forward many of the recommendations from David Perry QC's review to make the process of investigating and prosecuting licence fee evasion more effective and fair.

Although the licence fee remains the best way of funding the BBC for this charter period, it is likely to become less sustainable as the media landscape continues to evolve. The Government therefore welcome the BBC's intention to explore whether additional revenue could be raised at home and abroad from additional subscription services sitting alongside the core universal fee.

The Government are clear that any new subscription offer would be for additional services beyond what the BBC already offers. It will be for the BBC to set the scope of these plans, but we expect it to review progress and success in order to feed into the next charter review process. We would also like to see BBC content become portable so that licence fee payers have access when travelling abroad.

The BBC is, and must always remain, at the very heart of British life. We want the BBC to thrive, to make fantastic programmes for audiences and to act as an engine for growth and creativity. Our reforms give the BBC much greater independence from Government—in editorial matters, in its governance, in setting budgets and through a longer charter period. They secure the funding of the BBC and will help the BBC to develop new funding models for the future.

At the same time, these reforms will assist the BBC to fulfil its own stated desire to become more distinctive and better to reflect the diverse nature of its audience. They place the BBC at the heart of the creative industries—as a partner of the local and commercial sectors, not a rival. The BBC will operate in a more robust and more clearly defined governance and regulatory framework. It will be more transparent and accountable to the public it serves, who rely on the BBC to be the very best it can possibly be so that it can inform, educate and entertain for many years to come. I commend this statement to the House.

11.36 am

Maria Eagle (Garston and Halewood) (Lab): May I thank the Secretary of State for his statement and for early sight of it? Despite being very coy in the House yesterday when we asked about his plans, he seems to have managed to brief various newspapers overnight on a large part of the contents of the White Paper—a deplorable state of affairs. Indeed, for the last few weeks, we have had to read an increasing avalanche of briefing to Conservative-supporting newspapers—especially those hostile to the BBC—which appears to have emanated from his Department.

The fact that most of the Secretary of State's wilder proposals appear to have been watered down, dumped or delayed by the Government, of which he is a member, is a reflection of his diminishing influence and lack of clout. He has not got his way in most things, and I welcome that.

There is no point the Secretary of State denying that he has been overruled by the Prime Minister and the Chancellor. We know he is extremely hostile to the BBC. He wants it diminished in scope and size. He recently told an audience in Cambridge that the BBC is merely

“a market intervention of around £4 billion by government”.

That was before he described the disappearance of the BBC if the charter was not renewed as “a tempting prospect”.

The Secretary of State has spent time in speeches trying to tell the BBC that it should not be making popular programmes or that, if it does, they should be scheduled at times when fewer people will watch them. The truth is that, in large part, he has not got his way. [Interruption.]

The Secretary of State's views are also totally out of step with licence fee payers, who value and support the BBC. I said yesterday that the Opposition believe the BBC charter should have governance arrangements that guarantee the BBC's editorial and financial independence and refrain from interfering with the BBC's mission to inform, educate and entertain us all. We will examine the White Paper in detail to see how well it measures up against those criteria.

I welcome the fact that the length of the new charter is to be 11 years, but I am concerned with the imposition of a break clause that will, in effect, reduce that to five and a half years. That does not really give the BBC the certainty and stability it requires to get on with the job. I also welcome the fact that the licence fee is to continue until 2022, increased by CPI inflation, but we wait to see how his proposals over the second half of the charter period develop and will look very closely at what the Government do at that stage.

I still have some major concerns. On governance, I said yesterday that it is unacceptable for a majority of the unitary board, which will have major influence over output and therefore over editorial decisions, to be appointed by the Government. Today we learned that the Secretary of State plans that only up to at least half the board will be Government appointees. This board will run the BBC. Despite what he says, it will have influence over output and therefore over editorial decisions.

Appointing a unitary board is different from appointing either governors or trustees, who have had no power to run the BBC day to day.

The Secretary of State's suggestion that these proposals enhance the independence of the BBC are hard to reconcile with reality. We have seen overnight a political campaign—the leave campaign—headed up by Cabinet Ministers threatening a broadcaster with unspecified consequences for doing something that Cabinet Ministers did not like. How much more serious a threat would that be if those Cabinet Ministers got to appoint at least half the board of the broadcaster concerned? Yet that is the prospect facing the BBC under his plans.

I am still worried, therefore, that the Government are seeking unduly to influence the output and editorial decision making of the BBC—or can be seen to be doing so. Will he now promise that all Government appointments will be made by a demonstrably independent process, overseen by the Commissioner for Public Appointments, that prevents there being any suspicion that the Government seek to turn the BBC into something over which they have more control than is currently the case? Reports in today's newspapers that the Prime Minister has personally intervened to insist that Rona Fairhead be installed as chair of the new board do not augur well in this respect. I make no comment on the merits of Rona Fairhead, but there has been no process at all to reach such a decision—simply a prime ministerial diktat. That does not augur well for these arrangements in future.

On financial independence, a funding agreement was struck by the Chancellor with the BBC last year. We will look to ensure that it is met in full by the Government, with no more top-slicing—I welcome what the Secretary of State said about that—and no siphoning off of licence fee payers' money into funds to be given to other broadcasters. We are glad, in that respect, that his contestable pot proposals, widely briefed in advance of the publication of the White Paper, are now somewhat shrunken and are to be consulted on. Will he give the House an assurance that he will listen to the results of that consultation and be prepared, if necessary and if that is its outcome, to abandon these proposals?

I am very concerned that the Secretary of State wants to change the mission of the BBC when it has worked well for more than 90 years and is supported by the public. There is a great virtue to the simplicity and clarity of the current phraseology of its mission statement. Given what he has said, we will look closely at what he proposes to see how it might work. I do not believe that his obsession with distinctiveness should be imported into the BBC's mission statement. However, we will look at the wording he proposes to see whether we have any concerns about what the implications will be.

I welcome the Secretary of State's focus on improving the diversity of the BBC in respect of its staffing and the way in which it produces its output. Again, I am not convinced that the mission statement is the best place to put that. None the less, we will look closely at what he proposes, and I welcome the general tenor of his remarks and his intentions in this respect.

The Opposition do not accept the Secretary of State's assertion that the size and scale of the BBC crowd out investment and have a negative impact on the media market—quite the opposite. The BBC already works well with other UK creative industries and other

broadcasters, to the benefit of all. He might be better advised to keep his nose out of this rather than trying to tell the BBC how to do the job that it does on a day-to-day basis. He ought to stop his ideologically driven meddling and let it get on with the job.

We note what the Secretary of State had to say about the new and enhanced role that Ofcom will have in regulating the BBC. It will be a big job, and Ofcom already has a lot on its plate. Can he guarantee to the House that Ofcom will be given the proper resource—extra staffing, expertise and money—to do the job he now expects it to do? He said nothing about that in his statement today, but an important part of whether this will work is how Ofcom will be able to do this job.

In respect of what the Secretary of State said about the National Audit Office, I respect the National Audit Office and its work very much—I think everybody in this House does—so I have no objection. I note that he said in his statement that there will be appropriate safeguards for editorial independence once value-for-money reports have been done. That is tremendously important. It needs to be totally clear that any work done by the National Audit Office does not interfere with the editorial independence of the BBC. We will look at the detail of those safeguards, and I hope that he will be very open in setting out that detail.

The BBC is one of the UK's most successful and loved institutions. There has developed a feeling, both inside this Parliament and outside it, that the Government are seeking inappropriate influence over the BBC. Will he now agree that when his proposals are debated in both Houses of Parliament, it should be on a substantive motion that enables Members of both Houses to express their views by way of a vote?

Mr Whittingdale: I have some sympathy for the hon. Lady. She had a dry run at this yesterday and rehearsed all her lines of attack, only to wake up this morning to discover that all the concerns that she had expressed were based on ill-founded, hysterical speculation by left-wing luvvies and others; and that, in actual fact, what the Government have proposed has been widely welcomed by, among others, the BBC. She said yesterday that she would judge the Government's proposals on three key tests. She said that the charter

“must guarantee the BBC's financial and editorial independence, and it must help it to fulfil its mission to inform, educate and entertain us all.”—[*Official Report*, 11 May 2016; Vol. 609, c. 629.]

I can tell her that the White Paper not only meets those three tests, but exceeds them. That is exactly what we intend to do.

The hon. Lady raised some questions of detail. I accept that they are important, and I am very happy to give her the answers. I am grateful for her welcome for the fact that, for the first time, the length of the charter will be 11 years, which will take it out of the political electoral cycle. The mid-term review is not a mini charter review. It is simply a health check to allow the Government to ensure that the reforms that we are putting in place, which are substantial, are working properly. It would be ridiculous to find that they were not working and to be unable to do anything about it for another 11 years.

On governance, this is the first time the BBC board—the body that has overall responsibility for running the BBC—will have at least half, and possibly more than half, of its members appointed independently by the

[Mr Whittingdale]

BBC. Throughout the period for which the Labour party was in government, the appointments were made wholly by the Government, without even the public appointments process. The appointments that the Government will make are to six positions. They will be subject to the public appointments process, so they will involve the Office of the Commissioner for Public Appointments. Three of them will be made in consultation with the devolved Administrations of Wales, Scotland and Northern Ireland. It will be for the BBC to decide how many other board members there should be, ranging from six to perhaps eight, and who should be chosen to do that.

The other point I would make to the hon. Lady—I set it out very clearly in my statement—is that the board will have no involvement in editorial decision making. The director-general remains the editor in chief, and he is responsible for editorial matters. The board's involvement will be only after transmission; it will not influence editorial content.

These are substantial changes and we think it right that the existing chairman should continue in post to oversee the transition to the new arrangement. She will be in post until October 2018. She was of course appointed through the public appointments process.

I can confirm that the funding agreement will be met in full. There will be no top-slicing and we will not raid it for any other purposes, as her Government did when she was in office. The contestable pot is outside the July licence fee funding settlement. It is intended to provide additional opportunities for production companies that aim specifically to serve children's audiences or black, Asian and minority ethnic audiences. We will do more on that to see how it will work.

The hon. Lady said that we have somehow complicated the original trinity, but I would point out to her that the mission statement does not include the simple Reithian trinity that is so often quoted. The current BBC charter mentions

“the promotion of its Public Purposes through the provision of output which consists of information, education and entertainment”.

That is not quite as snappy as the original “inform, educate and entertain”. All we have done is to make it more succinct by saying that those three objectives should be delivered by producing “high quality distinctive content” and “impartial news”. I would just ask her whether she disagrees with either of those two provisions: does she think that the BBC should not make distinctive programming or should not be impartial?

The hon. Lady's concerns about Ofcom are perfectly justified. She is right that Ofcom will need resourcing to enable it to undertake its considerable new responsibilities. However, the BBC Trust is paid for out of the licence fee at the moment, and it is certainly our hope that the regulatory cost of overseeing the BBC, once Ofcom takes it over, will be lower than the existing cost of the BBC Trust. Ofcom will be financed from the licence fee, just as the BBC Trust is at present.

I confirm that it will be made explicit—there is no disagreement between the National Audit Office and the BBC about this—that the NAO will not involve itself in editorial matters.

I finish by saying that the hon. Lady has made the best fist she can of saying that the White Paper somehow threatens the BBC, but it does not. I end simply by telling her what the chairman of the BBC Trust said this morning:

“Constructive engagement between the Government, the BBC and the public has delivered a White Paper that sets good principles, strengthens the BBC's governance and regulation and cements a financial settlement that will sustain the strong BBC that is loved...by the public.”

Several hon. Members *rose*—

Mr Speaker: Order. I would point out that the opening exchanges between the Secretary of State and the shadow Secretary of State have absorbed no fewer than 33 minutes, so I look first to the author of the textbook on brevity, from whom other right hon. and hon. Members should take their cue, Mr John Redwood.

John Redwood (Wokingham) (Con): Will the Secretary of State include in the charter a requirement that the BBC should recognise England as a nation, just as it recognises Scotland as a nation?

Mr Whittingdale: The BBC will have a duty to serve all the nations and regions, which of course includes England. Of the six appointees appointed by the Government under the public appointments process, four are non-executive directors who will each have the additional responsibility of representing one of the nations of the UK. There will therefore be a non-executive director who has the additional responsibility of representing the interests of English licence fee payers.

John Nicolson (East Dunbartonshire) (SNP): I too thank the Secretary of State for advance sight of his statement.

The Scottish National party strongly supports public service broadcasting. We want to ensure that the BBC continues to provide distinctive, high-quality output. The charter renewal process provides an opportunity to celebrate the BBC's many successes, and to reflect as a critical friend on ways in which it can improve. Although we have had our disagreements with the BBC, at its best it is unsurpassed.

There are a number of welcome proposals in the White Paper. It is right to break the link between the electoral cycle and the length of the charter. We also welcome the abolition of the BBC Trust and its replacement by a unitary board. It is vital that that board is as diverse as possible, with representation from the nations and, crucially, more BME representation, as we all agreed in a recent debate in this House. Those were also the conclusions of the Culture, Media and Sport Committee, with its admirable Chair, the Member who I think represents Hertford and South Hertfordshire.

We are pleased that some of the more outlandish notions floated by the Government through the press appear to have been quietly parked. The Secretary of State gave us notice yesterday that one of the most risible, namely that the BBC might be prevented from scheduling popular programmes against ITV's popular programmes, has died a quiet death. I notice, too, that the proposal to publish the salaries of all talent has been abandoned—although we will learn

who is on £450,000 a year or more, we will not now learn who is struggling by on £200,000 or £300,000 a year.

We have long argued that charter renewal is an opportunity for the BBC to be bolder in Scotland, to meet the needs and reflect the lives of Scottish audiences. Like the director-general, we want to see the production sector in Scotland grow. We welcome ongoing commitment to the Gaelic-language MG Alba. We also want meaningful editorial and financial control to rest in Scotland. To that end, like most Scots both inside and outwith the BBC, we want a “Scottish Six” to replace the current overly parochial offering. We are pleased that the BBC agrees and is currently secretly piloting alternatives.

The BBC is sadly less trusted in Scotland than in any of the other constituent countries of the United Kingdom—[*Interruption.*] If hon. Members want to intervene, I am more than happy—[*Interruption.*] Oh, they cannot. Come up to me afterwards and I will answer the point. The BBC’s staff deserve better, and Scotland deserves better. The Secretary of State tells us today that he agrees, calling audiences in the nations under-served. He is preaching to the choir on the SNP Benches.

I hope that the White Paper is a milestone, allowing the BBC to learn from its mistakes, listen to its audiences and build on its proudest traditions.

Mr Whittingdale: The hon. Gentleman has an expert knowledge of the workings of the BBC. I welcome the fact that he is able to support a number of the proposals set out in the White Paper. He referred to a couple of things that were not in it, such as a proposal that the BBC should not schedule popular programmes against ITV’s popular programmes. I have said until I am blue in the face that the Government do not wish—and should not be able—to tell the BBC when to schedule programmes. The fact that that proposal does not appear in the White Paper should not therefore come as a great surprise to him.

Our intention is for the BBC to publish the salaries of talent earning more than £450,000, but we hope that the BBC will go further in due course, so as to obtain greater transparency on salaries. We will continue to talk to the BBC about that.

The hon. Gentleman raised specific points about the BBC’s need to serve the nations, and Scotland in particular. There are two elements in the White Paper that we believe will make a significant difference. The first is the confirmation that one of the members of the board will be there to act as a voice for Scotland, as well as bringing additional skills. Secondly, there will be a specific service licence for Scotland, which Ofcom will issue, as it will for the other nations of the UK; that will set out the expectations of how the BBC will go about meeting that requirement.

The hon. Gentleman may be aware that the BBC sent a letter this morning to the Cabinet Secretary for Culture, Europe and External Affairs in the Scottish Government, whom I spoke to yesterday afternoon. It set out some of its proposals in more detail. A lot of this is a matter for the BBC rather than the Government, but the letter stated that in the next charter period the BBC will continue its commitment

“to spend network television production roughly in line with the population size of each nation.”

Other issues that the hon. Gentleman has raised are more a matter for the BBC, and I am sure that he will wish to discuss them with it.

Mr Kenneth Clarke (Rushcliffe) (Con): The Secretary of State will recall that I was one of those who came to the Chamber yesterday with a certain amount of concern about his views on the independence and quality of the BBC, but he was able to reassure me. Does he share at least a little of my sympathy for the hon. Member for Garston and Halewood (Maria Eagle), because every fox that she expected to see running appears to have been shot, and the hounds that she expected to release appear to be running around in some confusion? Does he have any idea where all the rumours that caused so much alarm before this statement came from?

Mr Whittingdale: My right hon. and learned Friend is right. I have always voted in favour of the preservation of foxhunting, and we have done a lot of fox shooting this morning. The independence of the BBC—particularly its editorial independence—has always been at its heart, and that is one of the reasons it is so trusted around the world. It has always been our intention not to diminish that but to strengthen it, which is what I believe the White Paper delivers. I previously quoted the chairman of the BBC Trust welcoming the proposals in the White Paper, and I understand that the director general has now put out a statement:

“This white paper delivers a mandate for the strong, creative BBC the public believe in.”

Frank Field (Birkenhead) (Lab): I thank the Secretary of State for those aspects of the statement that will promote a common cultural identity, which is so crucial for a healthy democracy. However, democracies also work because they have great organisations that are powerful in their own right and not directly accountable to the Government. Of almost 70 paragraphs in his statement, only one was given over to the governance of the board. Will he confirm what I thought he said in his original statement and an earlier answer, which is that if the board wishes to have eight members, the Government’s membership will be only four, and the Commissioner for Public Appointments will steer those?

Mr Whittingdale: No, that is not quite correct. Six members of the board—the chairman, the deputy chairman, and one non-executive director from each of the four nations of the UK—will be appointed by the Government, using the public appointments process, but the size of the board will be for the BBC to decide. Our proposals exactly match the recommendations of Sir David Clementi, who suggested that the board could contain between 12 and 14 members, and that it should be for the BBC to decide. The BBC will determine the number of additional non-executive directors as well as the split between executive directors and NEDs on the board, which will comprise a total board membership of between 12 and 14.

Jesse Norman (Hereford and South Herefordshire) (Con): On behalf of my constituents in Herefordshire perhaps I may gently correct my beloved colleague from

[*Jesse Norman*]

the Scottish National party, the hon. Member for East Dunbartonshire (John Nicolson), on the identity of my constituency.

I congratulate the Secretary of State on this White Paper. The Culture, Media and Sport Committee will be scrutinising the detail, but I welcome the recognition of the BBC's important achievements, public service ethos, and potential as a global broadcaster. I also welcome the fact that the White Paper has incorporated recommendations we have made on the unitary board, regulation of Ofcom, the 11-year charter, and the National Audit Office.

However, we did identify issues about the culture of the BBC. I do not know whether the Secretary of State saw the excellent article in *The Guardian* today by Lenny Henry about black and minority ethnic representation, on which the BBC has historically been weak, but I very much welcome what has been said. Will the Secretary of State say a little more about how that will be enforced, and whether there might be a specific duty on Ofcom to keep an eye of those aspects of the charter in particular?

Mr Whittingdale: I am extremely grateful to the Chairman of the Select Committee for his welcome for our proposals. It is absolutely right that we looked carefully at the recommendations in the report the Committee produced under his chairmanship, as indeed the Government examined the proposals in the report produced under the previous Chairman—both were highly influential. On his specific point, as I have made clear, the Government believe that diversity should be a central priority of the BBC, which is why, for the first time, we are enshrining it in the public purposes. Precisely how the BBC goes about delivering that is a matter for the BBC, but because it is now within the public purposes, it will be for the external regulator, Ofcom, to determine whether it is delivering on that purpose.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I am sorry to say this to the Secretary of State but the British people will not be fooled by his words today. Some fantasy foxes might have been shot this morning, but I believe that by Sunday, as with the Budget, when the detail has been crawled over, this will be seen as a deep, dark day for the BBC. [*Interruption.*] The Brexiteers seem to have combined hating Europe with hating the BBC. This will be a champagne night for Rupert Murdoch and Richard Desmond. The BBC is better than that and is owned by the British people, not this Government.

Mr Whittingdale: That was utterly desperate. Just because the hon. Gentleman cannot find anything in the statement to disagree with, he now thinks there must be something hidden away that I have not mentioned to which he can object. The detail of the White Paper is well known to the director-general and the chairman of the BBC Trust, both of whom have said it is an excellent White Paper that will help to ensure that the BBC continues to thrive.

Mrs Helen Grant (Maidstone and The Weald) (Con): The BBC has struggled with diversity on-screen and off-screen for far too long, so I absolutely welcome the enshrinement of diversity in the new charter. It is the

right and the wise thing to do. Does the Secretary of State agree that attracting the brightest and most diverse talent will improve the content of the BBC's offering, and ultimately the ratings?

Mr Whittingdale: I very much agree with my hon. Friend, who is right to highlight this point. A number of people have been pressing this matter, not least my hon. Friend the Minister for Culture and the Digital Economy, who is sitting beside me, and the right hon. Member for Tottenham (Mr Lammy), whom I am pleased to see in his place. I would also like to thank Lenny Henry, who has been in to talk to us several times about the matter.

I agree with my hon. Friend the Member for Maidstone and The Weald (Mrs Grant), because research we have conducted shows that, although appreciation of the BBC is high throughout the country, there is a feeling, particularly among some black, Asian and minority ethnic audiences, that they are underserved. We are very keen to address that, in terms of both the diverse range of talent behind the camera and in the production process and those who appear on-screen. In particular, we want to ensure that those who choose to watch the BBC, from every section of our community, find programming they want to watch.

Ian C. Lucas (Wrexham) (Lab): By their deeds shall ye know them. In 2010 and 2015, Tory Governments raided the BBC budget to pay for Government expenditure. Will the Secretary of State now accept that that was wrong and give an assurance that it will not happen again during this charter renewal period? His commitment to the BBC and its independence will be judged by this answer, not warm words.

Mr Whittingdale: First, raiding the BBC licence fee to pay for Government projects was something that the Labour Government initiated with the analogue switchover budget. Secondly, as I have made plain to the hon. Gentleman and as I said in my statement, the funding settlement we agreed with the BBC last year represented a broadly flat-cash settlement, taking into account the agreement that the licence fee should begin to rise again after a freeze, that we will close the iPlayer loophole and that we will do away with the top slices for broadband and local television. Thirdly, I was explicit that the licence fee settlement was for five years. The Government have no intention of revisiting that until the next licence fee settlement, which will be part of a new, more independent and transparent process in which we can discuss the funding needs of the BBC with the BBC.

Sir Edward Leigh (Gainsborough) (Con): Fifteen years ago, we started a campaign in the Public Accounts Committee to try to get the BBC's accounts and spending accountable to the Comptroller and Auditor General—and it was like pulling steel teeth from concrete. Eventually, the Comptroller and Auditor General was allowed to investigate the matters that were chosen by the BBC itself. I know the Comptroller and Auditor General, and let me make it absolutely clear that there is no chance whatever of his getting involved in editorial policy. He is an utterly independent Officer of the House, but if more than £4 billion of public money is spent, the body that spends it should be held accountable for it.

Mr Whittingdale: I absolutely agree with my hon. Friend. I remember his campaign when he was the Chairman of the Public Accounts Committee, and I recall that several previous Chairmen and all Chairmen since have been pressing this case. There is no question but that the National Audit Office is extremely effective in ensuring that the taxpayer—in this case, the licence fee payer—extracts maximum value for money. I spoke to the Comptroller and Auditor General yesterday, and he reiterated what my hon. Friend has said—that he has no interest or wish to get involved in independent editorial decisions. His sole concern is to make sure that the public get the maximum value from the money they put into the BBC.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I, too, welcome the development of the BBC's new diversity strategy and the fact that diversity will be enshrined in the new charter. How, though, will this relate to the representation of sick and disabled people, including on the board of the BBC Trust, within its own workforce and that of its contractors?

Mr Whittingdale: I understand the hon. Lady's concern, but I think she will accept that many of these matters are for the BBC rather than for the Government to lay down, particularly in respect of how the BBC goes about serving all its different audiences that make up the UK. On board membership, there will be opportunities for non-executive directors to be chosen not just under the public appointments process as set out by the Government, but by the BBC board. I am sure that it will want to appoint the best possible people to represent every section of the community.

Crispin Blunt (Reigate) (Con): I welcome the restatement of financial protection for the BBC World Service, and I particularly welcome the recommendation that the new unitary board should consider the relative weakness of BBC World News on television. How fast does my right hon. Friend expect the board to come forward with proposals to address that situation?

Mr Whittingdale: My hon. Friend is absolutely right that the BBC World Service is admired across the world and does a fantastic job projecting this country's values around the globe. BBC global news is a different beast—it is a separate commercial subsidiary of the BBC, which actually loses money—and it is perhaps not achieving the same success as the World Service. We have said that the BBC needs to look at that carefully with a view to either making it perform much better or examining different ways of achieving the objectives.

Tom Brake (Carshalton and Wallington) (LD): I am relieved that the Secretary of State has resisted the temptation to be the BBC's Fat Controller. However, to demonstrate that he will keep his hands off all the levers, will he confirm that there will be clear and transparent processes for appointing the board, setting the licence fee and ensuring that the public's voice is heard for Parliament's approval of the charter? Finally, will the BBC health check that he mentioned be just that rather than the precursor to a major operation?

Mr Whittingdale: I think I can confirm everything that the right hon. Gentleman has asked me to confirm. The mid-term review is indeed a health check. We have

no intention or wish to revisit the charter and agreement unless it appears that something has gone very badly wrong and we need to make amendments. The world is changing fast and we do not know exactly what the media landscape will look like in five years' time. That is the reason for the health check, but I repeat that it is certainly not our intention for it to represent any sort of mini-charter review.

As I have said, future appointments made by the Government will be made through the public appointments process, which will involve the Office of the Commissioner for Public Appointments and a panel that will assess the suitability of those who apply for positions. We have said that the process of setting the future licence fee will be more independent and transparent, and that the BBC and the Government will have a proper opportunity to discuss funding needs. As for the issue of public opinion, the board will be expected—this will be a clear expectation—to establish mechanisms whereby it will take account of the views of the public on all aspects of the BBC's operations.

Damian Green (Ashford) (Con): I congratulate my right hon. Friend on listening to the voices of sanity in this debate, and, indeed, on being one of the voices of sanity this morning. He has broadly achieved a system of outside regulation that holds the BBC properly to account without in any way damaging its vital role at the heart of the cultural life of this country. May I, however, ask him about one detail? Will he confirm that the National Audit Office will audit only the publicly funded part of the BBC, given that auditing its private commercial operations would constitute an unprecedented extension of the NAO into the private sector?

Mr Whittingdale: I am grateful to my right hon. Friend for his comments. Given his long-time knowledge of and interest in the BBC, I am pleased that he agrees that our proposals represent a good, strong future for the BBC.

My right hon. Friend asked specifically about the National Audit Office. It has been agreed that the NAO should be able to conduct value-for-money studies of all publicly funded aspects of the BBC's operation, and to become the financial auditor. The licence fee payer has a strong interest in the BBC's commercial activities, because the more the BBC can raise through those activities, the less will be the call on the licence fee payer. We are continuing to discuss the extent to which, and how, the National Audit Office should examine whether full value for money is being obtained from BBC Worldwide. I would point out, however, that one of the greatest disasters for the BBC, which resulted in its loss of £100 million, was the acquisition of Lonely Planet by BBC Worldwide.

Hywel Williams (Arfon) (PC): I thank the Secretary of State for providing early sight of his statement, much of which I welcome. He has said that the BBC will become more accountable to the devolved nations. Will he tell us a little more about how that will be achieved in Wales?

Mr Whittingdale: My answer to the hon. Gentleman is very similar to the answer that I gave the hon. Member for East Dunbartonshire (John Nicolson). Wales,

[*Mr Whittingdale*]

too, will have a member on the BBC board, in that one of the non-executive directors will be responsible for speaking for Wales, as well as bringing other skills to the board. Ofcom will set out a clear service licence giving more details of how the BBC will be expected to meet its requirement to serve the needs of the people of Wales.

As I said earlier, today the BBC wrote not only to the Cabinet Secretary in the Scottish Government, but to the First Minister of Wales—[*Interruption.*] Yes, it will be interesting to find out who opens the envelope. The BBC's letter set out more details about how it intends to go about delivering that task, and I shall be happy to supply the hon. Gentleman with a copy if he has not already seen it.

Mr Peter Lilley (Hitchin and Harpenden) (Con): My father spent his whole life working for the BBC in an administrative capacity, so I have a natural filial affection for the institution, which is not mirrored in the views of all my Conservative colleagues.

I am delighted that my right hon. Friend has ensured that the BBC will continue to be robustly financed and will retain its integrity in order to build on its past strengths, but I hope that he will also strongly address its weaknesses through his measures to deal with its lack of impartiality and diversity. I hope that he will recall the words of a former Labour-appointed director general, who said that such was the homogeneity of view among those who were running the BBC—I think he described it as the “Guardianista” view—that it had failed to give proper representation to public concerns about Europe and immigration. I would add environmental policies to that.

I speak as one whom the BBC banned from broadcasting after I pointed out that a Met Office forecast 10 years ago had proved to be incorrect. This truth was so inconvenient that the BBC removed the podcast, issued an apology on its website for broadcasting my views and made it clear that I would not be interviewed again. I can look after myself, but will the Secretary of State ensure that, in encouraging diversity, the BBC encourages the inclusion of the views of the greatest oppressed minority in this country, the Conservatives?

Mr Speaker: The right hon. Gentleman is clearly saddened that his filial affection has not been reciprocated.

Mr Whittingdale: I am concerned to learn that the extremely persuasive and rational arguments that are always advanced by my right hon. Friend are not being aired on the BBC. That is a matter for the BBC, but I hope that it will reconsider. Under our new public purposes, we have rephrased them to make the expectations clearer. The first public purpose will now involve providing “impartial news and information to help people understand and engage with the world around them”.

This is the first time that impartiality—and, indeed, diversity—have been put up front at the top of the public purposes. Also, under our proposals, it will now be for an independent external regulator, in the form of Ofcom, to determine any complaints on those grounds; up till now, that has been done by the BBC.

Mr David Lammy (Tottenham) (Lab): I, too, welcome the Secretary of State's historic decision to make diversity a public purpose; I congratulate him on that. It is something I felt the Labour Government should have done when we were in power. The truth is that, at that time, we rightly made the important decisions to extend the scope of the BBC fully to grip the nations. The move to Salford has been part of that. Does the Secretary of State agree, however, that diversity will need funds? I hope that the BBC will allocate the appropriate funds to ensure that diversity is delivered, both on and off screen.

Mr Whittingdale: I hugely appreciate the right hon. Gentleman's remarks. He has an extremely strong track record of campaigning in this area, and for him to welcome our proposals in this way is extremely encouraging. I also agree that there is a lot more work to do. It will be for the BBC to make decisions on the allocation of budgets and on how it goes about delivering on the new, explicit requirement that has been set out. I am sure that the right hon. Gentleman will continue to talk to the BBC about that, as will we.

Sir Peter Bottomley (Worthing West) (Con): The point about diversity, which I support, is that its target should be inclusiveness so that people can be drawn together.

On page 74 of the White Paper, my right hon. Friend mentions digital radio. If he comes down from London to Worthing, by bus or any other form of road transport, and drives along the coast in Worthing, he will find enormous gaps in the digital radio coverage. Will he please ensure that we do not exclude those who listen to the radio on the move?

I want to make three detailed points about the wording of the White Paper. On page 98, he states:

“The government is clear that the licence fee is a tax”.

At some stage, I would like to hear an explanation of why it is seen as a tax rather than a fee that is separate from taxation.

On page 102, he talks about the “popularity of subscription services”. It would be more accurate to talk about the incidence of those services rather than their popularity. Most people do not like paying, but they feel that they are forced to do so because what they want to watch is on subscription.

In the glossary, the last entry is for a WOCC. Would he like to explain what the term “window of competitive culture”, or whatever it is, actually means?

Mr Whittingdale: I would be very happy to do so. On the issue of digital audio broadcasting, I fully recognise that there is still some way to go to achieve the coverage that will be necessary before we can consider switching off analogue. The ability to listen to DAB on the move in cars is one of the crucial factors that will influence our decision, and there is still more work to be done. However, we expect the BBC to continue to take a leading role in this regard. My hon. Friend asked some specific questions. It has long been recognised that the licence fee is essentially a tax, because it is a compulsory fee imposed by the Government and enforced by criminal sanction. It is recognised as a tax by the Office for Budget Responsibility and others on that basis.

I turn now to my hon. Friend's specific question about what is known colloquially as the WOCC. The window of creative competition was put in place by the BBC. Under the existing arrangements, the independent production quota is 25% and then the WOCC accounts for another 25% chunk of content, which can be competed for by the independent production sector. The remaining 50% is reserved for the BBC's in-house production. It is that 50% that we are removing, so, in essence, our proposal is to increase the WOCC to 75%.

Deidre Brock (Edinburgh North and Leith) (SNP): I was pleased to note that particular mention was made of MG Alba and S4C, the two channels that support two unique minority languages and cultures of the British Isles. However, I also note that the statement referred only to maintaining production quotas outside London, which is a little disappointing for us in Scotland, because we were hoping that the quotas would be increased. Will he assure us that he supports further decentralisation and the improvement of commissioning opportunities for the regions and countries of the UK?

Mr Whittingdale: The quotas are of course a minimum requirement, and it is for the BBC to do its best to exceed them. In answer to the hon. Member for East Dunbartonshire (John Nicolson), I referred to the letter that the director-general sent today to the Cabinet Secretary for Culture, Europe & External Affairs in the Scottish Government, in which he commits the BBC to continuing to do its best to increase the proportion of BBC network production expenditure in each of the nations of the UK. He said

"we recognise that this spend needs to work harder"

and that he will be doing his best to ensure that Scotland receives funding that at least is proportional to its population. I am sure that the hon. Lady and her colleagues can pursue that further with the director-general.

Peter Heaton-Jones (North Devon) (Con): As a former employee of the BBC, I share in the great affection for the corporation and, as such, congratulate the Secretary of State on this White Paper, which I broadly welcome. However, does he agree that, with the BBC's income from the public now guaranteed to be fast approaching £4 billion a year, not only is it right that the corporation be more transparent and accountable, but there is no reason for it to make cuts to front-line services, particularly not BBC local radio? I worked in it for many years, and local radio, particularly BBC Radio Devon in my constituency, is a hugely valued part of the community.

Mr Whittingdale: I agree with my hon. Friend. The BBC now has certainty about its funding over the course of the next licence fee period, and I hope that it will continue to recognise the importance of local radio. The matter was raised by several hon. Members in our discussion yesterday, and I made it clear then that I regard local radio as something that best exemplifies the BBC's public service remit. I hope that the National Audit Office's work will bear out that there is scope for achieving efficiencies, so that even more of the licence fee payers' money can be devoted to front-line services such as local radio.

Ruth Cadbury (Brentford and Isleworth) (Lab): Many of my constituents work in the television sector, will have responded to the consultation and will welcome many aspects of today's statement. Along with my right hon. Friend the Member for Tottenham (Mr Lammy), I welcome the specific mention of black and minority ethnic representation, but does the Secretary of State acknowledge that diversity in front of and behind the camera also encompasses gender, sexual orientation, disability, faith and social class? Will we see a statement in due course about what that means in the context of today's statement?

Mr Whittingdale: I agree with the hon. Lady on stressing the importance of diversity in all that the BBC does, which is about not only serving BAME audiences and ensuring greater representation both in front of and behind the camera, but gender equality and disabled people. It is for the BBC to draw up its own plans and to deliver the general public purpose that we have set out, but it will also obviously be held to account by Ofcom. It is not for us to tell the BBC precisely how the purpose should be delivered.

Victoria Atkins (Louth and Horncastle) (Con): My constituency has six local newspapers, which are vital in providing news to the local community. We all know the pressures faced by local newspapers across the country, particularly as more and more of us get our news online. How will the new charter help to ensure that the BBC's very successful website does not have the unintended consequence of driving people away from local newspapers and their websites?

Mr Whittingdale: I am grateful to my hon. Friend for raising that, because I agree with her that it is tremendously important. Local newspapers play a vital role in sustaining local democracy and will become more important as more powers are passed down to devolved Administrations and local government. For quite some time I have therefore sought to encourage the BBC to support local newspapers, rather than undermine them, as it has occasionally been accused of doing. I am delighted that an agreement has been reached in principle between the BBC and the News Media Association, which represents the local press, whereby the BBC has now agreed to fund a reporting service to cover local authorities and public services. It intends to fund 150 journalists, who will be employed by qualifying local organisations, not by the BBC. In that way, the BBC will be obtaining greater content on what is going on in local authorities and, in doing so, will be supporting local newspapers, which we hope will help to ensure that they continue to provide their service.

Liz McInnes (Heywood and Middleton) (Lab): Has the Secretary of State given any thought to the thousands of students in this country who do not have televisions in their student rooms but may occasionally watch BBC iPlayer on their computers? Will he give some consideration to them? Going to university costs enough as it is, so will he please consider exempting them from the closure of the iPlayer loophole?

Mr Whittingdale: There is a long-standing principle that those who enjoy public service television should be required to pay for it through the licence fee. There is no

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question but that the advent of the iPlayer and catch-up services has created a loophole, which has meant that the BBC has lost a significant, and probably growing, amount of revenue. It was part of the agreement that we reached with the BBC last year that we should close that loophole and, in essence, apply the same rules in today's age as have always applied in the past: if someone watches public service content, they should pay the licence fee, which funds the BBC.

Mr John Baron (Basildon and Billericay) (Con): This statement is welcome and it confirms that the BBC does a very good job overall, but what are the Government doing to ensure fairness in its coverage of the EU referendum campaign, especially given that the BBC receives large amounts of EU funding—tens of millions of pounds in recent years?

Mr Whittingdale: As I have previously set out, we have now put impartiality as one of the first requirements in the public purposes of the BBC. Ensuring impartiality becomes particularly challenging in such a hotly contested issue as our membership of the European Union, which is why I asked the BBC to ensure that it had a fast-track system for resolving complaints of bias from either side of the argument. I was pleased that the BBC Trust agreed that that would be put in place and recognised its importance. I should also say that that requirement for impartiality does not just apply to the BBC; it applies to all those with a broadcasting licence, who are required to be objective and impartial. That includes the commercial broadcasters, as well as the BBC.

Diana Johnson (Kingston upon Hull North) (Lab): My constituents are very concerned about the independence of the BBC. As the Secretary of State has already quoted comments by the director-general this morning, let me ask him what he thinks of the following comment from the director-general:

“I do not believe that the appointments proposals for the new unitary board are yet right.”

What does he mean by that?

Mr Whittingdale: That is an issue that we will continue to discuss with the BBC. However, I would simply say to the director-general and others that the proposals that we have put in place are those that were recommended by Sir David Clementi. They do allow the BBC to appoint at least half the membership of its board, and we have ensured that the BBC director-general's editorial independence is enshrined in the charter.

Andrew Bingham (High Peak) (Con): As chairman of the all-party group on commercial radio, I welcome the comments that the Secretary of State has made about the need for distinctiveness, as there has been a concern that some BBC stations are mimicking those in the commercial sector. That factor combined with the removal of the 50% guarantee on in-house production will not only enhance the BBC, but allow the commercial sector, and commercial radio, to flourish alongside it, making room for both.

Mr Whittingdale: I am aware of the concerns expressed by commercial radio about some aspects of BBC radio provision. Certainly, the requirement that there should be distinctiveness in BBC services applies to radio just as it does to television. In future, if commercial radio has complaints, it will of course be able to voice them to Ofcom, the independent regulator. On the opening up of content for independent production, the 100% ambition that we have set the BBC applies to television. For radio, the BBC has agreed that it will aim to reach 60%, which would represent a huge increase on the present level, and provide sufficient opportunities to the radio independent production sector.

Jack Dromey (Birmingham, Erdington) (Lab): Will the Secretary of State join me in welcoming the BBC's announcement today of substantial additional investment in production and commissioning in Birmingham following the campaign of Birmingham's MPs, the City Council and the *Birmingham Post* and the *Birmingham Mail*? Does the Secretary of State understand the residual strong concern felt across this House that the independence and integrity of the BBC, the jewel in the crown of public service broadcasting excellence and fêted worldwide, should never ever be violated by any Government?

Mr Whittingdale: Obviously, I welcome the BBC's announcement of additional investment in Birmingham. The local newspaper initiative that I mentioned earlier is going to be based at BBC Birmingham. I am aware that Members representing west Midlands constituencies have long pressed the BBC to do more. It is a matter for the BBC, but I welcome the fact that it is responding to that. I completely agree with the hon. Gentleman's second point: the integrity and impartiality of the BBC is absolutely fundamental. It is the reason the BBC is respected around the world, and we are determined to preserve and, if anything, strengthen it.

Matt Warman (Boston and Skegness) (Con): Online, some of the BBC's content, such as football match reports and many other things, cannot always be found to be distinctive. Can my right hon. Friend reassure the House that this distinctiveness test will absolutely apply online as well as on television and radio?

Mr Whittingdale: I can give my hon. Friend that assurance. The BBC rightly wishes to make available its news content on whichever platform viewers and listeners choose to access it, and that includes online. There have been concerns that, sometimes, BBC online services have strayed too far away from that into soft news and beyond, and that represents unfair competition. The requirement for distinction will apply online just as it does to all other BBC services, and that can be adjudicated by Ofcom.

Stella Creasy (Walthamstow) (Lab/Co-op): I wish to press the Secretary of State on some of the detail of his statement, especially given the concern that many of us have to protect all members of BBC staff from politically motivated attempts to interfere in their work. He said very clearly that editorial independence would be guaranteed pre-transmission, but in his statement today he sets out that the unitary board

“will consider any issues or complaints that arise post-transmission.”

Will he clarify to whom the Government appointees on that board will be accountable for their interventions—will it be to the Government or the licence fee payers?

Mr Whittingdale: The position as regards reporting for the Government appointees, chosen through the public appointment process, will be no different from the responsibilities of the BBC Trust. Once appointed, they are independent and are not subject to any instruction by the Government. They will be accountable to the licence fee payer and to Parliament, which is where Select Committees have a very important role. I agree with the hon. Lady about the importance of not having any political pressure put on BBC employees, whatever their level, so I hope that she will join me in condemning the petition initiated by the “Jeremy for PM” campaign, which now has 15,000 signatures, calling for the sacking of the BBC political editor because they did not like one of the stories she reported.

Chloe Smith (Norwich North) (Con): I welcome the financial certainty, editorial independence and sensible modernisation measures set out in the White Paper. I also particularly welcome the possibility of real economic benefit to my city of Norwich, home to a growing creative sector, through increased purchasing of independent content. Can the Secretary of State give any estimate of job numbers that might be linked to the measure?

Mr Whittingdale: First, let me say that I imagine that my hon. Friend’s constituency is not particularly happy today and I send my condolences on another front for which I am responsible, which is sport. I cannot give my hon. Friend a precise figure for the potential job opportunities offered by opening up competition, but we believe that allowing the independent production sector the ability to compete for 100% of the BBC’s content will mean that hundreds of millions of pounds are available for the sector should it win those commissions. Obviously, that will create jobs alongside. The creative industries, as I said, have proved to be one of our most successful sectors of the economy with the fastest rate of job creation.

Dr Rupa Huq (Ealing Central and Acton) (Lab): Given how from “Listen with Mother” to “Rastamouse” children’s programming has been so important to the reputation of the BBC and its Reithian ideal to educate, will the Secretary of State make an absolute commitment today that he will exempt that sector of programming from any possible charges for iPlayer or on-demand services?

Mr Whittingdale: As I said earlier, none of the BBC’s existing services will be made subject to voluntary subscription through the iPlayer. The pilot that the BBC is considering will be for additional services that are not currently provided and funded by the licence fee. I hope that the BBC will consider boosting children’s programming, because I agree that it is fundamental. It is an area where access through the iPlayer is likely to be higher than that for other sections of the population. I am also keen to increase the amount of children’s programming available, which is why we see the contestable pot to which I referred as a possible vehicle for additional opportunities so that children have more choice in the programming available to them.

Mims Davies (Eastleigh) (Con): Despite what some Members on the Government Benches might say, particularly people who have worked at the BBC, we want it to remain popular and distinctive. That is something that all politicians, on both sides of the House, can only hope to be. We have heard today from the Secretary of State that there is no perfect model for the BBC licence fee in a changing media landscape. How we listen, watch and contribute to the ratings is changing, so I welcome the freedom on BBC budgets. As part of the flexible arrangements for payments in the White Paper process, can we consider a fee for using only the radio content of the BBC?

Mr Whittingdale: I am grateful to my hon. Friend, and she is right that there is a wealth of experience on both sides of the House among Members who have worked in or with the BBC. On the question of more flexible arrangements for payment of the licence fee, in particular we wanted to allow the BBC to assist those on low incomes by not requiring it to take a year’s licence fee in the first six months. Her suggestion about having a reduced licence fee for those who listen only to the radio is not something we intend to pursue in this licence fee period, but, as I have said, the way in which technology is changing so rapidly will call into question the sustainability of the existing model over time. I have no doubt that there will be a substantial debate around these issues at the time of the next charter review.

Alex Chalk (Cheltenham) (Con): I hope that on this occasion, Mr Speaker, you will consider the question to be of sufficient importance to merit re-emphasis. I welcome the White Paper, which seems to me to recognise that the BBC is a national treasure that marks us out from other western countries. Can the Secretary of State assure the House that the welcome commitment to invigorate local democracy will not be at the expense of independent local media outlets, such as *The Breeze* radio and the *Gloucestershire Echo* in Cheltenham, which do a lot to inform and entertain my constituents?

Mr Whittingdale: My hon. Friend should not apologise for raising the matter again because it is extremely important. When the BBC first floated the idea of supporting local news provision by employing journalists, there was some confusion. Some people thought that the BBC was intending to employ them directly, which I think would have posed a threat to existing commercial local news providers. I am delighted that the agreement which has now been reached makes it plain that although the BBC will fund journalism, journalists will be employed by qualifying local news organisations. I imagine that the excellent examples of new organisations that my hon. Friend has mentioned from his constituency would be eligible to apply for that funding, should they choose to do so.

Alberto Costa (South Leicestershire) (Con): Although I welcome greater diversity specifically for our devolved nations, that must not be at the expense of our United Kingdom. The Secretary of State mentioned that the BBC must reflect our common national identity, but there are those who do not believe in a common national British identity. Given that we might unintentionally create a wedge between Scotland and England particularly,

[*Alberto Costa*]

may I urge my right hon. Friend to exercise caution about the amount of diversity that is given to the devolved nations?

Mr Whittingdale: I agree with my hon. Friend. We do think it is important that the BBC serves all the individual nations and regions of the United Kingdom. That is set out in the charter as one of the public purposes. However, my hon. Friend is right that the BBC is a UK national broadcaster, and it is there to unite the nation and to focus on all the many things we have in common and which bring us together. I hope that that will long remain the case.

Kevin Foster (Torbay) (Con): The Secretary of State will be aware that my constituency was made somewhat infamous by the iconic BBC series “Fawlty Towers” and the antics of Basil Fawlty, which were based on a real hotel owner. Some of the things he had actually done had to be left out as being too ridiculous. Today, services such as BBC Radio Devon and locally produced TV programmes are very much appreciated in Torbay and there is a modern creative industry. What does my right hon. Friend see in the White Paper that will help boost that industry and ensure that more programmes like “Fawlty Towers” are produced in the future?

Mr Whittingdale: Having visited Torbay as part of the tourism inquiry that the Select Committee conducted in the previous Parliament, I am delighted that although “Fawlty Towers” may have been based on a hotel at one time, Torbay hotels today bear no resemblance to Fawlty Towers. The series is an example of creative comedy, which the BBC excels at. It is important that the BBC should continue to make productions all across the United Kingdom. In Cornwall “Poldark” has been extremely successful, and I hope that the south-west will continue to benefit from BBC investment in production, which, as we said earlier, drives growth and creates a large number of jobs.

Huw Merriman (Bexhill and Battle) (Con): I welcome the White Paper and congratulate the Secretary of State. It is very much what I had in mind when I filled in the consultation exercise. May we have a little more detail about the health check? As stated on page 58, matters that can be changed are

“Future funding issues, including an assessment of the BBC’s commercial income and activities”.

What cannot be changed is

“the fundamental mission, purposes, and licence fee model”.

Will there be an opportunity for Parliament to scrutinise further the exact language? I believe that the devil will be in the detail, and the clause will have great importance in the unlikely event that a Government are elected in 2020 who are not as supportive of the BBC as this Government—they have clearly demonstrated that support today.

Mr Whittingdale: We have sought to reassure the BBC that there is no intention of reopening some of the fundamental decisions that have been taken for the next charter. It is a health check, as I said earlier—an opportunity to ensure that the reforms that we are putting in place

are working as we intended and that the BBC is taking account of any changes that have happened over the period. As I have said, this is an area where the technology is changing very fast. We cannot bind another Government. However, we are trying to ensure that the charter is fit for purpose for the next 10 years. Having set out our proposals for the new charter, we certainly have no intention of revisiting those fundamental principles until the next one.

Nigel Huddleston (Mid Worcestershire) (Con): Given the scale of the gap between the sometimes ridiculous scaremongering of the left and the luvvies, and the sheer common sense of the White Paper, has the Secretary of State received an apology, or even an iota of support, from some of those luvvies who have been somewhat unkind to him recently?

Mr Whittingdale: I am grateful to my hon. Friend for his support. In answer to his question, I am not going to hold my breath. However, to give them their due, they will have discovered only this morning what the Government intended, having previously relied on hysterical reports in the media. Now that they have seen that what we are setting out does not threaten the BBC but will actually strengthen it and ensure that it continues to thrive, I hope that they will welcome our proposals.

Henry Smith (Crawley) (Con): As my right hon. Friend has said in earlier answers, BBC local radio comes the closest to the corporation’s remit as a public service broadcaster. I therefore very much welcome the future publication of significant talent salaries, because I dare say that several of those could pay for an excellent county station such as BBC Sussex.

Mr Whittingdale: My hon. Friend is absolutely right; there is a huge gulf between expenditure on BBC local radio—I know from my county of Essex that in the local radio station the paint is sometimes peeling off the walls and it can barely afford a coffee maker—and some of the very substantial remuneration packages enjoyed by certain individuals. Although they may be extremely talented, that is one of the reasons the Government felt that the public have a right to know who they are.

Tom Pursglove (Corby) (Con): I was very interested to hear what the Secretary of State had to say about diversifying the BBC’s revenue streams, particularly by providing new services and reaching viewers outside this country. When can we expect to hear more on that?

Mr Whittingdale: My hon. Friend is absolutely right to draw attention to that. At the moment, as he will be aware, it is not legally possible to access BBC content through the iPlayer from overseas. We have two objectives in changing that. First, we believe very strongly that UK citizens who have already paid the licence fee should be able to enjoy content even if they happen to be on holiday on the continent of Europe. That is the portability requirement that we are looking to the BBC to put in place, as indeed we will ask other broadcasters to do. Secondly, there is a substantial amount of piracy going on, with people who have not paid the licence fee using virtual private networks or getting around the geo-block in order to access BBC content. That

demonstrates that there is a demand for that content, so we are keen to encourage the BBC to make it available legally and ask people to pay for it.

Jeremy Lefroy (Stafford) (Con): I welcome my right hon. Friend's strong support for the World Service, whose impartial and objective news is needed now more than ever. Is he confident that the World Service is sufficiently embracing new platforms for broadcasting around the world?

Mr Whittingdale: That is very much a matter for the BBC, but I absolutely agree with my hon. Friend. The World Service is hugely admired and respected, but if it is to continue to reach people in places where there is very limited access to impartial and objective news, it is important that it uses every means of delivery. I would certainly encourage the BBC to do that, and I am sure my hon. Friend will talk to it further about that.

Martin Vickers (Cleethorpes) (Con): I welcome my right hon. Friend's statement and the fact that some of the more radical proposals that have been floated have not been included. He has spoken of the importance of local radio, which will be well demonstrated in my area on Sunday afternoon, when Grimsby Town will make yet another attempt to regain football league status and thousands of fans will be listening to Radio Humberside. However, the future is also local TV, and my constituency is well served by Estuary TV. Does my right hon. Friend see a role for the BBC in local TV stations?

Mr Whittingdale: I am sorry I am not able to join my hon. Friend to watch Grimsby. However, the BBC has had a role in supporting local television, as he will be aware. As part of the last licence fee settlement, a fund was made available to support local television, but it was always clear that that was for a limited period. The fund was to allow local television to become established, and then local television would be expected to pay for itself, rather than relying on subsidy from licence fee payers. I am afraid I have to say to my hon. Friend that there are no plans to go beyond the existing support that is given to local television.

Mr David Nuttall (Bury North) (Con): Does my right hon. Friend share my hope that, if the BBC successfully introduces additional subscription services, that will encourage it to have the confidence to move away from the current outdated financing model and to a system more suited to the 21st century, giving individuals the freedom to choose whether to pay a licence fee?

Mr Whittingdale: My hon. Friend is right that the world is changing fast, and there may come a time when the existing model becomes harder to sustain. I think that the BBC has recognised that, and the proposals I referred to are proposals by the BBC. The BBC will set up the pilots and assess them, and the information that is obtained from them will be used to inform the next charter process, when new options for funding models may become available.

Chris Heaton-Harris (Daventry) (Con): I welcome the statement and especially the part about enhancing the BBC's local output. In Northamptonshire, BBC local radio output is of the highest quality and integrity, and I congratulate and thank Stuart Linnell, Bernie Keith, Helen Blaby, John Griff, Annabel Amos and the news and production teams for the service they provide. How does the Secretary of State envisage the new royal charter enhancing these services in future?

Mr Whittingdale: I share my hon. Friend's admiration for local radio and local services. The BBC's general requirement to serve the nations and regions is set out clearly. Ofcom will be producing service licences, which will make clear the expectation on the BBC and provide further detail of how we expect it to meet that requirement. That is a matter that Ofcom will be concentrating on in the coming months in drawing up those service licences. However, I said yesterday, and I repeat again today, that I regard local radio as one of those aspects of BBC services that are fundamental to the delivery of its public service remit and that are not provided by the commercial sector.

Maggie Throup (Erewash) (Con): I welcome the requirement for more productions to be tendered. Does my right hon. Friend agree that that will help to right an historic imbalance, given the share of production that is lacking across the east midlands? That will inevitably give my constituents more value for their licence fee and help to increase my local creative industries' business, which is definitely good news.

Mr Whittingdale: I do agree with my hon. Friend. There is no doubt that there are incredibly innovative and successful independent production companies in every part of the United Kingdom, and I have absolutely no doubt that the east midlands is one of those parts. Opening up the whole of the schedule for competition will give much more opportunity to the independent production sector. It will support the companies in her area as it will across the rest of the UK, and it will give more choice to BBC commissioning editors and therefore, ultimately, higher-quality programmes for viewers.

Points of Order

12.59 pm

Karl Turner (Kingston upon Hull East) (Lab): On a point of order, Mr Speaker. As you know, on 28 April the Leader of the House, in response to the hon. Member for Brigg and Goole (Andrew Percy), made a defamatory statement about the Humberside Labour party's prospective police and crime commissioner candidate in which, the Leader of the House stated:

"My hon. Friend makes an important point. I am aware of allegations about the Labour PCC candidate in Humberside. If the stories alleged about that candidate are true, he is unfit for public office, and it is a matter of public interest that the truth should be known before election day."—[*Official Report*, 28 April 2016; Vol. 608, c. 1564-5.]

I wrote to the Leader of the House asking him for the precise basis of these remarks, and either to tell us what they were about or withdraw them. He did not have the courtesy to respond to me, so, Mr Speaker, on 10 May you allowed me to raise the matter as a point of order.

Yesterday, the Leader of the House did trouble himself to reply to me. I have to say that it is a shame that he has not stayed around to answer this point of order, knowing that it is to be raised. He simply says this in his answer to me:

"Thank you for your letter of 3 May regarding my response to the Member for Brigg and Goole at Business Questions on... 28 April.

My understanding is that you are fully aware of the points...I raised."

Well, I am not fully aware of the points raised by the Leader of the House. I suspect that the points raised by the Leader of the House are a figment of his imagination, because I have now had the opportunity to speak to the hon. Member for Brigg and Goole, and he assures me—and I believe him—that he was not referring to the Labour party candidate in Humberside, Keith Hunter, when he asked the question.

Will you, Mr Speaker, advise me on two matters? First, what can be done about Cabinet members coming to the Dispatch Box and using this place for vicious party political campaigning, knowing full well that when they make statements they will have traction in the media, causing people to have to answer to media inquiries? Secondly, will you advise me on what Members do about receiving what can be only be said is an incredibly rude, discourteous response from the Leader of the House?

Mr Speaker: I am very grateful to the hon. Gentleman for his point of order. Let me say the following. First, in so far as he has a concern about what he describes as the use of the Dispatch Box for "vicious party political campaigning", that is somewhat beyond my purview. I have no ambition to try to bring an end to such activity, and I do not think that ambition would be a realistic one.

Secondly, the hon. Gentleman has made his concern on this matter clear. As I said on Monday in response to his point of order on that occasion, what is said in this place by any Member—any Member—is the responsibility of that Member. It is for the Leader of the House to decide whether he wishes to correct or to clarify what he said about this matter. The hon. Gentleman referred to

"vicious party political campaigning", but, in trying to be helpful to him, I detect that what concerns him is what he judges to be an incorrect, inaccurate or false personal attack. My answer to that is that each Member must take responsibility. Members have parliamentary privilege. That parliamentary privilege must be used with care and responsibility. If it is not, it is damaging to the doctrine of parliamentary privilege and to the rights not only of the Member concerned but those of Members across the House. Whether it is necessary for anything to be said by the Leader of the House is not, at this stage, something that I can possibly judge. However, I have tried to give as full and fair a response to the hon. Gentleman as I can.

Mr David Davis (Haltemprice and Howden) (Con): On a point of order, Mr Speaker. This is similar to the point of order made by the hon. Member for Kingston upon Hull East (Karl Turner). It is about qualified privilege, public record and the protection of the reputation of ordinary citizens, not necessary political people. On 20 April, in response to a parliamentary question, the Prime Minister referred to Mr Suliman Gani and said, "this man supports IS"—Islamic State. That is an incredibly serious allegation, with massive reputational implications. It might restrict somebody's right to travel, perhaps to the US, and it could even put his safety and that of his family at risk.

It transpires that the allegation was not true. On Monday this week, I wrote to the Prime Minister asking him to correct this, and, to be fair, there was an apology and correction issued by a spokesman of 10 Downing Street yesterday. Of course, that did not have the same prominence as the original allegation and, in many ways just as importantly, does not correct the original allegation in the official record, which can still be published by others under qualified privilege—perhaps people who do not follow our affairs quite so closely. I am very concerned about the consequences of that, and I want to ask you, Mr Speaker, what can be done by the House or by the Government to protect people such as Mr Gani from the further consequence of a serious calumny—no matter how unintentional—against his reputation.

Mr Speaker: I thank the right hon. Gentleman for his point of order, and for his courtesy to me in providing notice of it. I understand that the Prime Minister has answered a written question on this matter today seeking to clarify what he said in the House, and this is available on the parliamentary website in the usual way. However, I appreciate that Members are here and they want a specific and informative reply. They may well not yet have consulted the parliamentary website.

The question was tabled by the right hon. Member for Broadland (Mr Simpson) and was answered by the Prime Minister. The Prime Minister has answered:

"I was referring to reports that Mr Gani supports an Islamic state. I am clear that this does not mean Mr Gani supports the organisation Daesh and I apologise to him for any misunderstanding."

As I have said before—indeed, only a few moments ago, in response to the hon. Member for Kingston upon Hull East (Karl Turner)—what a Member says in this place is the responsibility of that Member. I reiterate, as I often do, that, while parliamentary privilege is an essential protection of free speech, all Members should reflect carefully before criticising individuals. As "Erskine May" notes, it is

“the duty of each Member to refrain from any course of action prejudicial to the privilege which he enjoys.”

I have already referred to the written answer, and the right hon. Member for Haltemprice and Howden (Mr Davis) has referred to what I understand to be an apology issued by a spokesperson last night. It is not for the Chair to require a Member to apologise on the Floor of the House, but it is perfectly open to a Member to do so, and good grace and magnanimity in these circumstances are, I know, always appreciated.

Diana Johnson (Kingston upon Hull North) (Lab): On a point of order, Mr Speaker. In the business question on 5 May 2016, the Leader of the House said, at column 309:

“I should inform the House that Ministers will provide a quarterly update on Syria before Prorogation.”—[*Official Report*, 5 May 2016; Vol. 609, c. 309.]

As you will recall, Mr Speaker, quarterly reports were included in the motion agreed to in this House on 2 December 2015. As the first few days of the new Session will be taken up with the Queen’s Speech debate, I seek your guidance on when will be the very first opportunity that we can have a statement from the Government on the situation in Syria and on our military involvement.

Mr Speaker: Realistically, it seems to me that a statement cannot be made to the House for at least a week, and it may be for somewhat longer than that. I take very seriously the point of order that the hon. Lady has raised. I am bound to say that I recalled what was said during the business question last week, and I therefore rather anticipated that there would be such a statement today.

Indeed, that expectation was shared by a very conscientious—not especially senior, but very conscientious—Government Whip who, when he approached me about another matter this morning, referred to the first of the statements. I advised him that there was only one Government statement today, to which he replied, “Oh, but Mr Speaker, I thought there was a statement on Syria.” I said, “Well, you are a member of the Government Whips Office, but you are obviously not fully in the know.”

The answer is that there appears not to have been a statement on Syria, but the House was told that there would be one. Some private understanding may very well have been reached between the Front Benches—I have no way of knowing—but I would say that, whether or not that is the case, there must be respect for the rights of the House and its legitimate expectations as a whole. This is not just a matter of what Front Benches may or may not have agreed.

I confess that I was looking forward to the statement, which seemed to me to be on a very important matter. The Government Chief Whip, who is unfailingly courteous to me and to all Members, is in his place and has heard what has been said. The Government made a very good commitment and I very much hope—let us just put it like that—that we can have the statement as soon as is practicable. There is a lot of parliamentary interest in the matter, and I know that the Government will not want to disappoint.

Tom Brake (Carshalton and Wallington) (LD): Further to that point of order, Mr Speaker. You will be aware that I have been pursuing the issue of the Syrian quarterly statements for some months now in a dogged and possibly irritating fashion. I of course accept that the Government have made a number of statements on this matter—on the siege of Aleppo, the Russian intervention, the humanitarian conference—but they have rarely focused on the matter that I think the Prime Minister promised to report on, which is the RAF’s action against Daesh in Syria.

Like you, Mr Speaker, I was looking forward to finally getting a statement today, as the Leader of the House promised a week ago. I fail to understand why it is not on the Order Paper. I wonder whether there are other mechanisms that we could use, perhaps immediately after the Queen’s Speech, particularly if there have been any significant developments. For instance, would you permit an urgent question to be asked or any other parliamentary procedures to be used to enable the House to be briefed on this matter as soon as possible, as the Leader of the House promised a week ago?

Mr Speaker: I am very grateful to the right hon. Gentleman for what he has said. By the way, people periodically irritate other people, but Members hardly ever irritate me. I am always happy to hear Members, and I was very happy to hear his hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) yesterday. In fact, so keen was I to hear the hon. Gentleman that I called him about 10 minutes into injury time. I am sure that the hon. Gentleman will not have any complaints. He is a robust character and can look after himself. In any case, he has a good sense of humour.

I do not think that I can offer the prospect of a statement next Wednesday. That will simply not be practical. I think that we have to balance the understandable disappointment on the part of many Members about the fact that there has not been a statement today with a degree of reasonableness about when such a statement can take place. I do not think that we will serve the House by interrupting the Queen’s Speech debate next Wednesday. I do not think there is a precedent for that, and it is not necessary.

However, I think the Government will be sensitive to the relative urgency of the matter. Certainly, if very disturbing news were to be included in that statement—I hope there would not be—that would, as it were, up the ante and emphasise that there is a premium on the delivery of such a statement at the earliest possible opportunity. I hope in future that, if commitments are made, they can be honoured, and then we will not have to have a re-run of this exchange. I note that the Leader of the House is now in the Chamber; he is welcome to respond to the point of order from the right hon. Gentleman if he wishes, but he is not under any obligation to do so.

The Leader of the House of Commons (Chris Grayling)
indicated dissent.

Mr Speaker: The right hon. Gentleman is not under any obligation. I thought it would be wrong not to give him the chance.

1.15 pm

Sitting suspended.

1.17 pm

Sitting resumed.

**MESSAGE TO ATTEND THE LORDS
COMMISSIONERS**

1.21 pm

Message to attend the Lords Commissioners delivered by the Gentleman Usher of the Black Rod.

The Speaker, with the House, went up to hear Her Majesty's Commission; on their return, the Speaker sat in the Clerk's place at the Table.

ROYAL ASSENT

Mr Speaker: I have to acquaint the House that the House has been to the House of Peers where a Commission under the Great Seal was read, authorising the Royal Assent to the following Acts:

Driving Instructors (Registration) Act 2016

Criminal Cases Review Commission (Information) Act 2016

House of Commons Members' Fund Act 2016

Immigration Act 2016

Energy Act 2016

Armed Forces Act 2016

Housing and Planning Act 2016

Her Majesty's Most Gracious Speech

Mr Speaker: I have further to acquaint the House that the Baroness Stowell of Beeston, one of the Lords Commissioners, delivered Her Majesty's Most Gracious Speech to both Houses of Parliament, in pursuance of Her Majesty's Command. For greater accuracy I have obtained a copy, and also directed that the terms of the Speech be printed in the *Journal* of this House. Copies are being made available in the Vote Office.

The Speech was as follows:

My Lords and Members of the House of Commons

My Government's legislative programme has pursued a one nation approach; helping working people by supporting aspiration and opportunity.

My Ministers have continued in their long-term plan to deliver economic stability and security at every stage of life. To this end, work has continued to bring the public finances under control and to reduce the deficit.

To support working people, legislation was passed to guarantee that key taxes would not rise during this Parliament, to ensure that those working 30 hours a week on the National Minimum Wage will not pay income tax and to increase the provision of free childcare to working families.

To support aspiration and opportunity, legislation was passed to grant housing association tenants the right to own their home.

My Ministers have pursued policies to reform the welfare system to modernise and deliver equity to tax-payers, including measures to cap welfare payments.

In the first year of this Parliament, my Ministers have driven forward important constitutional reforms.

Landmark legislation was enacted to enable a referendum on membership of the European Union to be held later this year.

My Government has sought to develop a productive working relationship with the devolved administrations. In relation to Scotland, legislation was passed to implement the recommendations of the Smith Commission, devolving substantial new powers to the Scottish Parliament. A draft Bill was published setting out a new framework for devolution in Wales in accordance with the Saint David's Day Agreement. Legislation was enacted to implement the Fresh Start Agreement and reform the welfare system in Northern Ireland.

With regard to England, ground-breaking legislation was passed which will allow significant powers to be devolved to directly-elected Mayors, helping to create a Northern Powerhouse.

In the House of Commons, changes have been implemented to create fairer procedures to ensure that decisions affecting England, or England and Wales, can only be taken with the consent of the majority of Members of Parliament representing constituencies in those parts of our United Kingdom.

Modernising the public services continues to be a priority for my Ministers. Newly enacted legislation will deliver transparency to the way in which trades unions operate and will protect essential public services from strike action.

Legislation was passed to improve schools, with new powers to turn around failing and coasting schools and create more academies. This legislation also made provision

to establish regional adoption agencies in England to ensure every child can be provided with a stable home.

It has been a key priority for my Government to achieve a strong, sustainable and balanced economy where the benefits are more evenly shared across the country and between industries.

New legislation passed in this session will ensure that the Bank of England is well equipped to fulfil its vital role of overseeing monetary policy and financial stability.

A Small Business Commissioner was established in statute to help small businesses compete and grow. Legislation was also passed to ease the regulatory burden on businesses.

To help build a modern competitive workforce, the Institute for Apprenticeships was established as part of the drive to create three million high quality apprenticeships.

In recognition of the vital role charities play, legislation was passed to give the Charity Commission new powers to protect the integrity of such bodies by preventing abuses of charitable status.

The defence of the Realm is an utmost priority for my Government. In this session legislation has been passed to support our gallant armed forces. My Ministers will continue with legislation to provide a new framework to govern the use and oversight of investigatory powers by law enforcement and the security and intelligence agencies.

My Ministers have pursued policies to reform the criminal justice system, including new legislation to improve the integrity and effectiveness of the police, and a comprehensive new framework to ban the new generation of psychoactive substances.

The new Immigration Act will provide powers to tackle illegal working and the exploitation of workers, and make it easier to deport those with no legal right to remain.

The Duke of Edinburgh and I were pleased to welcome His Excellency the President of The People's Republic of China and Madame Peng in October, during whose visit my Government launched a new partnership with China. We enjoyed our fifth State Visit to Germany in June, and our visit to Malta in November, for the Commonwealth Heads of Government Meeting.

My Government has continued to play a leading role in world affairs, promoting British interests and values, and protecting British citizens abroad, including in response to terrorist attacks in Tunisia, France, Belgium and elsewhere.

My Ministers have been at the forefront of the European Union and international response to Russian aggression in Ukraine, successfully ensuring the maintenance of tough sanctions.

My Government has played a leading role in the Global Coalition against Da'esh and co-hosted the London Syria conference which secured commitments to help refugees in Jordan, Lebanon and Turkey. With European Union and other international partners, my Ministers have worked to address irregular migration across the Mediterranean and its causes.

The United Kingdom played a key role in delivering the Paris Climate Change Agreement.

Members of the House of Commons, I thank you for the provisions which you have made for the work and dignity of the Crown and for the public services.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

PROROGATION

Mr Speaker: The Commission was also for proroguing this present Parliament, and the Baroness Stowell of Beeston said:

“My Lords and Members of the House of Commons:

By virtue of Her Majesty's Commission which has now been read, we do, in Her Majesty's name, and in obedience to Her

Majesty's Commands, prorogue this Parliament to Wednesday the eighteenth day of this May to be then here holden, and this Parliament is accordingly prorogued to Wednesday the eighteenth day of May.”

End of the First Session (opened on 18 May 2015) of the Fifty-Sixth Parliament of the United Kingdom of Great Britain and Northern Ireland in the Sixty-Fifth Year of the Reign of Her Majesty Queen Elizabeth the Second.

Written Statements

Thursday 12 May 2016

BUSINESS, INNOVATION AND SKILLS

EU Foreign Affairs Council

The Minister for Small Business, Industry and Enterprise (Anna Soubry): My noble Friend the Minister of State for Trade and Investment (Lord Price) has today made the following statement.

The EU Foreign Affairs Council (Trade) will take place in Brussels on 13 May 2016. Lord Price will represent the UK.

In relation to WTO Post Nairobi work, the Council will discuss latest developments regarding DDA and new issues, and the EU-strategy towards MC11 on the basis of a paper by the Commission.

The Council will discuss the state of play in the TTIP negotiations and next steps.

The Council will also discuss the trade-related aspects of the recent communication on steel.

On the EU Canada Comprehensive Economic and Trade Agreement (CETA) the Council will reflect on the achieved result and discuss the next steps towards signature.

[HCWS724]

TREASURY

ECOFIN

The Financial Secretary to the Treasury (Mr David Gauke): An informal meeting of the Economic and Financial Affairs Council was held in Amsterdam on 22-23 April 2016. EU Finance Ministers discussed the following items:

EU budget

Following an introduction from Commission Vice-President Kristalina Georgieva, Ministers discussed challenges for the EU budget, caused by unforeseen events.

Strengthening the banking union

Views were exchanged between Ministers and Central Bank governors on the regulatory treatment of banks' sovereign debt on the basis of a presidency note and a draft report from the high-level working group.

Panama Papers

The European Commission gave a policy reaction outlining measures being taken to tackle tax avoidance. The UK, along with France, Germany, Italy and Spain, launched an initiative on the automatic exchange of beneficial ownership information in April and wrote a G5 letter to EU member states asking them to join the initiative. As a result of UK leadership all EU Finance Ministers have now agreed to enter into the project which will see tax authorities and law enforcements agencies automatically share information on who really owns and controls companies.

Sustainable finance

On the basis of a presidency paper, Ministers and Central Bank governors discussed ways in which the transition to a sustainable economy could be financed and ways in which transparency could be improved.

Stability and growth pact

Ministers discussed a number of options to make the stability and growth pact simpler and more transparent including whether more work should be done exploring the use of the expenditure benchmark and the medium-term orientation of the fiscal framework.

VAT fraud

In the final session, the Commission and presidency led a discussion in relation to VAT fraud following the publication of the VAT action plan on 7 April. In particular, Finance Ministers looked at steps that could be taken to improve co-operation between member states' tax, customs and judicial authorities.

[HCWS722]

Office of Financial Sanctions Implementations

The Economic Secretary to the Treasury (Harriett Baldwin): At the summer Budget the Chancellor announced that HM Treasury will establish the Office of Financial Sanctions Implementation (OFSI) before the end of the financial year to support the UK's foreign policy and national security goals and help maintain the integrity of and confidence in the UK financial services sector. The OFSI was established on 31 March 2016 within HM Treasury. Its principle aims are to:

- increase awareness of and compliance with financial sanctions;
- ensure that sanctions breaches are rapidly detected and effectively addressed; and
- provide a professional service to the public and industry on financial sanctions issues.

The Treasury, through OFSI, will continue to be the UK's competent authority for the implementation of financial sanctions, and Treasury ministers will continue to be responsible for licencing decisions and designations under UK sanctions legislation.

[HCWS723]

DEFENCE

Commonwealth Recruitment

The Minister for the Armed Forces (Penny Mordaunt): There is a long tradition of Commonwealth citizens serving in the British armed forces, and we continue to value their service which provides an important contribution in defending the UK at home and abroad.

The current Commonwealth recruitment rules which require five years' UK residency have therefore been reviewed, and the residency requirements will be waived to allow for 200 Commonwealth citizens per annum to be recruited to fill a limited number of roles in the regular armed forces which require specialist skills. The numbers of individuals that can be recruited and the list of roles that can be filled under these arrangements have been agreed in consultation with the Home Office. These will be subject to regular review.

The requirement for individuals to have indefinite leave to remain (ILR) to join the reserves has not been changed. However, if an individual with specialist skills already residing in the UK is identified, applications for exceptional circumstances can be cleared on an individual basis with the Home Office.

This will not affect personnel from the Republic of Ireland, Malta, the Republic of Cyprus, or those in the Brigade of Gurkhas. This will also not affect Gurkha or Commonwealth serving personnel with more than four years' regular service applying to join the reserves provided they are granted ILR on discharge.

This policy will be kept under review.

[HCWS726]

Art Collection

The Secretary of State for Defence (Michael Fallon): Ownership of the most significant works within the Ministry of Defence art collection (MODAC) is to be transferred to other public institutions in order to ensure their continued protection and public display.

The MODAC currently comprises more than 2,000 individual items. It includes some fine art and a notable collection of chronometers but also includes numerous lower value items. Key items of public interest are located in public galleries and museums, with the remainder in MOD premises and other Government or public buildings.

Ownership of works with intrinsic artistic or heritage value is to be transferred to other public bodies, including the National Maritime Museum, the National Museum of the Royal Navy, the Army Museum, the Imperial War Museum and the Government Art Collection. Residual items will remain within MOD custody.

MODAC items are accounted for as publicly owned non-operational heritage assets and the collection has therefore not been valued formally, in line with Government policy. Transfer on an unvalued basis has been approved by the Chief Secretary to the Treasury.

[HCWS720]

FOREIGN AND COMMONWEALTH OFFICE

National Action Plan on Business and Human Rights

The Minister for Europe (Mr David Lidington): My right hon. Friend the Minister of State for Foreign and Commonwealth Affairs (Baroness Anelay of St Johns), has made the following written statement:

In September 2013, the UK became the first country to implement the UN guiding principles on business and human rights through the publication of a national action plan "Good Business", which was presented by the then Foreign and Business Secretaries. At that time, the coalition Government committed to producing an update.

This update reflects developments, including at the international level, since our plan was first published. It also summarises the many activities and initiatives that have been taken forward by UK business and civil society.

The updated NAP reflects the range of action related to business and human rights that takes place across Government. It brings together in one place Government action and private sector initiatives, as well as setting out the access to remedy, both judicial and non-judicial, which exists within the UK. By publishing this update, the UK demonstrates its continued commitment to business and human rights and to the implementation of the universally agreed UN guiding principles, which we consider the best method for promoting good business practice and protecting potential victims from human rights abuses.

This update was produced following consultation with a broad range of stakeholders from business and civil society. While jointly owned by the Foreign and Commonwealth Office and Department for Business, Innovation and Skills, this update was contributed to by a number of Government Departments.

[HCWS721]

HOME DEPARTMENT

National Crime Agency Remuneration Body

The Secretary of State for the Home Department (Mrs Theresa May): The report of the National Crime Agency (NCA) Remuneration Review Body for 2016 has been published today. In line with my letter setting the body's remit, it has made recommendations on pay and allowances for NCA officers designated with operational powers. I wish to express my thanks to the Chairman and members of the review body for their careful consideration of the evidence.

The review body received evidence from the NCA, the Home Office, Her Majesty's Treasury and the relevant trade unions and has recommended an across-the-board increase of 1% for NCA officers and a 1% increase in London weighting. I accept their recommendations in full.

The report also sets the agenda for further reform of the NCA's pay structure and we will continue to support the NCA to develop the workforce needed to tackle serious and organised crime in the 21st century.

Copies of the NCA Remuneration Review Body's report are available in the Parliamentary Vote Office and at www.gov.uk.

[HCWS728]

UK Anti-corruption Plan

The Minister for Security (Mr John Hayes): Today my right hon. Friend the Government Anti-corruption Champion (Sir Eric Pickles) and I wish to inform the House that the Government are publishing a progress update on the UK's first cross-Government anti-corruption plan, on the same day that the Prime Minister is hosting a global anti-corruption summit in London—to galvanise international action against corruption.

On 18 December 2014, we published the UK anti-corruption plan, which set out, for the first time, all of the UK's anti-corruption efforts under one cross-departmental plan, including how we are tackling the

threat of corruption and taking action to reduce corruption risks across a range of sectors, both in the UK and overseas.

In the UK anti-corruption plan, we committed to publishing a progress update on the actions, ensuring that this was a living document which evolved alongside the nature of the threat from corruption and our response. The inter-ministerial group on anti-corruption, which we co-chair, has been overseeing delivery of the commitments and we have been working with colleagues across Government and civil society to drive forward this agenda.

The progress update highlights the UK's performance in delivering its anti-corruption commitments—62 out of the 66 actions (94%) are complete or on track to be delivered—and sets out the positive progress that has been made: to build a better picture of how corruption is affecting our society and economy; to strengthen our legal and operational tools and activity; to enhance our law enforcement response; to deny use of our financial system for those who are trying to abuse it; and to step up our efforts internationally.

While there is still more to be done, the positive developments outlined in the progress update, coupled with the international leadership being shown by the UK through the global anti-corruption summit, demonstrates the UK's commitment to rooting out corruption in all its forms. Moreover, the new cross-agency taskforce to respond to any wrong-doing resulting from the “Mossack Fonseca” papers, sends a strong message that tackling corruption is a key priority for the UK and that we take decisive action wherever criminal activity arises.

A copy of the plan will be placed in the Library of the House and also made available on the Government website at: www.gov.uk.

[HCWS729]

JUSTICE

Youth Justice

The Lord Chancellor and Secretary of State for Justice (Michael Gove): Following the troubling allegations raised by whistleblowers—and documented by the BBC's “Panorama”—about the treatment of young people in custody at Medway, I appointed an independent improvement board to investigate the centre's governance and the safeguarding measures in place there.

I am today publishing the board's report, which tells a powerful story—not just about what went wrong at Medway, but about broader problems in the youth justice system, and specifically in the children's secure estate. The board's conclusions reinforce the interim findings from the separate, wider review that I have asked Charlie Taylor to prepare on the youth justice system, which will report this summer.

Given the findings of the independent improvement board, the pending Charlie Taylor review and the announcement by G4S in February 2016 of its intention to sell its children's services business I have agreed with G4S that the new contract to operate Medway will not proceed.

The National Offender Management Service (NOMS) will take over the running of Medway in the short term—by the end of July—and will work closely with the Youth Justice Board on the enhanced monitoring arrangements that will be put in place. Beverley Bevan—an experienced prison governor with seven years' experience of working with young offenders—will be appointed as the governor at that time.

The independent improvement board made a series of recommendations which we accept in full and which will be implemented across all three secure training centres (STCs). By implementing these recommendations, we will strengthen external scrutiny, safeguarding and monitoring arrangements and clarify the responsibilities of organisations and individuals involved in providing services at all STCs. Steps will be taken to ensure that whistleblowers—including young people who speak out—are supported and listened to.

However, the fundamental problem identified by the independent improvement board was that those running Medway conceived of it as a place of coercion, where the culture and the incentives—as they were designed in the contracts—were centred around the corralling and control of children, rather than their full rehabilitation. Their focus should instead have been on education and care, on identifying root problems and giving children the opportunity to find their way back into society, and to make something of themselves.

Charlie Taylor's interim findings have made it clear that the places where young offenders spend time should not be junior prisons, but secure schools. I am announcing today that each of the secure training centres will have a new governing body who will scrutinise and support those running each centre. This will be a first step towards giving these centres the type of oversight and support that we would see in an ordinary school.

When Charlie's final report is published, I hope we will be able to move swiftly to a model which ensures that the educational mission of these establishments is central to their existence.

Based on the findings of the independent improvement board, I will appoint a similar youth custody improvement board to work across the youth secure estate, to help to make sure that children are safe and to improve standards of behaviour management in each secure training centre and young offender institution that holds children, including those currently run by NOMS. I will confirm the board appointments in due course.

I am grateful to all the members of the independent improvement board who delivered their important work at such impressive speed.

This report, and our response to the recommendations made by the independent improvement board can be found at: <https://www.gov.uk/government/publications/medway-improvement-board-report-and-moj-response-to-its-recommendations>.

I will place a copy of these in the Libraries of both Houses.

[HCWS725]

LEADER OF THE HOUSE

Legislation: 2015-16 Session

The Leader of the House of Commons (Chris Grayling): Following the conclusion of business in the House today, I expect Parliament to be prorogued prior to the State Opening of the next session on 18 May. Subject to proceedings, 23 Government Bills will have received Royal Assent in the 2015-2016 session:

- Armed Forces Bill
- Bank of England and Financial Services Bill
- Charities (Protection and Social Investment) Bill
- Childcare Bill
- Cities and Local Government Devolution Bill
- Education and Adoption Bill
- Energy Bill
- Enterprise Bill
- European Union (Approvals) Bill
- European Union (Finance) Bill
- European Union Referendum Bill
- Finance Bill
- Housing and Planning Bill
- Immigration Bill
- National Insurance Contributions (Rate Ceilings) Bill
- Northern Ireland (Stormont Agreement and Implementation Plan) Bill
- Northern Ireland (Welfare Reform) Bill
- Psychoactive Substances Bill
- Scotland Bill
- Supply and Appropriation (Anticipation and Adjustments) Bill
- Supply and Appropriation (Main Estimates) Bill
- Trade Union Bill
- Welfare Reform and Work Bill

The following Private Members' Bills will have received Royal Assent in the 2015-16 session:

- Access to Medical Treatments (Innovation) Bill
- Criminal Cases Review Commission (Information) Bill
- Driving Instructors (Registration) Bill
- House of Commons (Members' Fund) (No.2) Bill
- NHS (Charitable Trusts Etc) Bill
- Riot Compensation Bill

The following Bills will carry over to the next session:

- Finance (No.2) Bill
- High Speed Rail (London-West Midlands) Bill
- Investigatory Powers Bill Policing and Crime Bill.

[HCWS727]

NORTHERN IRELAND

National Security Arrangements: Carlile Report

The Secretary of State for Northern Ireland (Mrs Theresa Villiers): This is a summary of the main findings from the report by Lord Carlile, the Independent Reviewer of National Security arrangements in Northern Ireland, covering the period from 1 January 2015 to 31 January 2016. Lord Carlile concludes:

“Throughout the year I have been briefed extensively on the state of threat in Northern Ireland. The context in which national security activities are performed in Northern Ireland remains challenging. As in the previous year there have been

successes against dissident republicans (DRs), with a number of high profile trials pending. Police and security pressure has resulted in significant attrition but attacks still occur. Co-operation with the Irish authorities is good. This has quickened the pace of activity against DRs.

I regard 2015 as a year of continuing success in thwarting and detecting terrorism; while there is no sign of reduced ambition in the minds of terrorists, the ability of these terrorists to carry out attacks has suppressed over the years by successful attrition and arrests. This is undoubtedly the result of excellent joint activity by MI5 and PSNI. Given that the total exclusion of paramilitary activity is unlikely to be achieved in the measurable future, MI5, the PSNI and others involved have maintained good progress.

In preparing this report I have considered the current threat level, and what I have learned of events of a terrorist nature during the year. There were 16 national security attacks during 2015, with no serious injuries. Dissident republican groupings are resilient and capable; a number of attacks in 2015 were unsuccessful by narrow margins. Current and released prisoners continue to present a challenge. I was reminded of the diverse and enduring nature of the threat.

Dissident republicans remain interested in and involved in criminality, organised crime and money laundering. They also retain a political purpose, some with more determination than others.

Loyalist paramilitaries also have political imperatives, though the motivation of many is the making of money through extortion and other organised crime.

During 2015, I have met a range of stakeholders. I have engaged with PSNI and MI5 and examined the relationship between them and the Police Ombudsman of Northern Ireland (PONI) and the Northern Ireland Policing Board (NIPB), I also met some of the NI political parties. I am grateful to NIO Ministers for their close interest in the matters discussed here. Meetings with Ministers have occurred. Ministers are always well briefed and exceptionally well informed on all material issues.

During 2015 I met with the Northern Ireland Policing Board (NIPB), and also Alyson Kilpatrick, the Independent Human Rights Advisor to the NIPB. The NIPB can feel assured that the Human Rights Advisor is well able to discharge her duties in respect of national security.

I met the Police Ombudsman for Northern Ireland and the Northern Ireland Executive's Minister of Justice, David Ford MLA. Both have been extremely frank and helpful. I do not underestimate the formidable nature of the Ombudsman's job, especially in relation to older cases. Furthermore, I would like to express my admiration and thanks to David Ford. He has played a significant part in the normalisation of the justice system and the rule of law in NI.

I am satisfied that the periodic briefings provided to me have been full and not selective, and that I have a good understanding of relevant matters. Interlocutors across the security piece, including vocal opponents and critics, have been willing to brief me.

I held a detailed meeting with the Committee on the Administration of Justice (CAJ). They provided me with a robustly critical narrative of the current security situation. I found their views helpful, though more anxious than the true security situation justifies in my opinion. The CAJ expressed the view that deprivation caused by austerity is leading to recruitment into paramilitary groups. These views found resonance with some interlocutors.

This year once again I have reviewed the arrangements for Covert Human Intelligence Sources (CHIS). Overall the use of CHIS is effective. CHIS operations are run with a clear investigative strategy. Participation of CHIS in crime is subject to strict control and protocols. There are frequent meetings between PSNI and MI5 at a senior level to discuss CHIS policy and operations, and in accordance with the

St. Andrews principles, PSNI manage the majority of national security CHIS. There is a systematic review procedure for CHIS.

Across all my conversations in the past year I have found confusion and concern about how historic issues are to be dealt with and addressed. Much optimism is being placed in the proposed Historical Investigations Unit (HIU). I am sure the Secretary of State and NI Executive Ministers will ensure proportionate funding, and the level of documentary and other evidential disclosure necessary for the fulfilment of its proper objectives.

I have considered a number of issues in relation to terrorism prosecutions. I continue to have concerns about the length of sentences in NI for terrorism related offences, and that delays in cases coming to trial are resulting in defendants being released on bail. I acknowledge the reform of committal proceedings contained in the Justice Act (Northern Ireland) 2015. I discussed more active case management and plea bargaining as means to save court time.

Despite the active and concerned involvement of senior judges throughout the criminal justice system there remain concerns about the disclosure system in which public interest immunity and related disclosure issues are not dealt with by the trial judge, as they are in GB.

I remain of the view that the residual serious and lethal threat of terrorism justifies the continuation of the non-jury trial arrangements provided under the Justice and Security (Northern Ireland) Act 2007.

I have enquired again about the use of intercept evidence. I remain satisfied that there is solid scrutiny and review of interception, in an environment in which communications technology is developing quickly.

Continued vigilance and the maintenance of counter-terrorism resourcing are essential. However, once again I have drawn comfort from the successful joint operations between MI5 and the PSNI, and their high level of co-operation with their counterparts in the Republic of Ireland. Normality is a genuine and mostly realisable ambition, rather than merely an aspiration.

Attrition caused by arrests and charges both in Northern Ireland and the Republic of Ireland has been good in 2015; but a number of challenges in combatting the threat remain.

I have measured performance in 2015 against the five key principles identified in relation to national security in Annex E to the St Andrews agreement of October 2006. My conclusions in relation to Annex E are set out in the attached Table.”

Further to reinforce this comprehensive set of safeguards, the Government confirm that they accept and will ensure that effect is given to the five key principles which the Chief Constable has identified as crucial to the effective operation of the new arrangements, viz:

<i>Text of Annex E</i>	<i>Conclusions</i>
All Security Service relating to terrorism in Northern Ireland will be visible to the PSNI.	There is no compliance. Arrangements are in place to deal with any suspected malfeasance by a PSNI or MI5 officer.
PSNI will be informed of all Security Service counter terrorism investigations and operations relating to Northern Ireland.	There is no compliance.
Security Service intelligence will be disseminated within PSNI according to the current PSNI dissemination policy, and using police procedures	There is compliance. Dissemination policy has developed since the new arrangements came into force.

<i>Text of Annex E</i>	<i>Conclusions</i>
The great majority of national security CHIS in Northern Ireland will continue to be run by PSNI officers under existing police handling protocols.	The majority of CHIS are run by the PSNI. Protocols have not stood still. A review of existing protocols and the development of up to date replacements should always be work in progress and clearly accountable.
There will be no diminution of the PSNI's responsibility to comply with the Human Rights Act or the Policing Board's ability to monitor said compliance.	The PSNI must continue to comply. The Policing Board, with the advice of their Human Rights Advisor as a key component, will continue the role of monitoring compliance.

[HCWS730]

TRANSPORT

Motoring Services Strategy

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): My noble Friend the Parliamentary Under-Secretary of State for Transport (Lord Ahmad of Wimbledon) has made the following written statement:

The Department for Transport's three motoring services agencies (the Driver and Vehicle Licencing Agency (DVLA); the Driver and Vehicle Standards Agency (DVSA) and the Vehicle Certification Agency (VCA)) are key to ensuring the United Kingdom's road network plays its part in promoting the future prosperity of our nation. I am today publishing a strategy for the agencies, which sets out the direction they will take over the remainder of this Parliament.

The strategy sets out our vision for the agencies' future: how we can better support those learning to drive to ensure they are properly prepared to take their practical test, what we can do to ensure haulage and bus and coach operators can access all our services efficiently and flexibly to suit their needs, and how we can best support the UK automotive industry.

The agencies' services, making sure drivers are properly trained and licensed and the vehicles they use are safe and meet environmental standards, touches nearly all aspects of our society. Most people, at some time, will be affected by the agencies' work—whether they are choosing an instructor as they begin to learn to drive, sitting on a bus, buying a new motorcycle, choosing a wheelchair accessible vehicle or moving house—the motoring services agencies will be involved at some stage. We need to ensure that the services the agencies deliver are fit for motoring today and are responsive to new developments in technology in order for them to continue to meet our needs in the future.

Recognising this country's enviable road safety record, and the importance of the highway network to the economy, we reiterate the need for driver training that prepares people for a lifetime of safe road use. We will examine the potential benefits of different models for delivery of the practical driving test. We will strengthen the agencies' relationships with commercial users of their services, whose needs can be very different from those of individual members of the public. We will examine how various transport industry sectors can be given greater responsibility in operating or testing vehicles. The agencies are almost entirely funded by user fees; so we will take a more methodical approach to reviewing those fees, to ensure that they are transparent and closely aligned to the costs of the services they cover.

A copy of the strategy will be placed in the House Library and will also be available on www.gov.uk.

Attachments can be viewed online at: <https://www.gov.uk/government/consultations/motoring-services-strategy-a-strategic-direction-2016-to-2020>.

[HCWS719]

WORK AND PENSIONS

Employment, Social Policy, Health and Consumer Affairs Informal Council

The Secretary of State for Work and Pensions (Stephen Crabb): The informal Employment, Social Policy, Health and Consumer Affairs Council met on 19-20 April in Amsterdam. Emily Shirtcliff, deputy director in the BIS labour market directorate, represented the United Kingdom.

The first day involved a plenary session on labour mobility. The focus of most member state interventions was on the revision of the posting of workers directive. The United Kingdom intervened to make clear that it did not yet have a formal position and was looking carefully at the Commission's proposal.

The second day started with workshops on the European Commission's consultation on its proposed pillar of social rights and concluded with a plenary session on the platform for undeclared work. At the workshop the United Kingdom welcomed the clarity that the pillar of social rights was for the euro area, but also for other countries to join if they wanted to.

On the platform for undeclared work the United Kingdom welcomed the progress made so far and looked forward to the platform's first meeting.

[HCWS718]

Petitions

Thursday 12 May 2016

OBSERVATIONS

EDUCATION

School Funding Model

The petition of residents of Beverley and Holderness,

Declares that the petitioners believe the existing school funding model in England is arbitrary and unfair; further declares that the ten best funded areas of England have on average received grants of £6,300 per pupil this year, compared to an average of £4,200 per pupil in the ten most poorly funded areas of England; and further declares that the petitioners welcome the Government's commitment to introduce fairer school funding.

The petitioners therefore request that the House of Commons supports the earliest possible introduction of a new National Funding Formula for schools in England.

And the petitioners remain, etc.—[Presented by Graham Stuart, *Official Report*, 1 December 2015; Vol. 603, c. 303.]

[P001559]

Observations from the Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah):

The Chancellor confirmed at the spending review our intention to introduce national funding formulae for schools, high needs and early years, so that funding is transparently and fairly matched to need. At the budget in March he pledged £500 million to speed up transition to the national funding formula, this will help get extra funding quicker to those schools that need it most.

We are currently developing our plans for the national funding formula and the first phase of a two-stage consultation concluded on 17 April.

Once we have had the opportunity to consider all the responses from our first consultation we will proceed to the second stage. This will address the details of the formula and set out the anticipated impacts on the reforms on individual schools. We would encourage you all to take the opportunity to contribute your views on our proposals.

The results of the consultation and the Department's response will be published on www.gov.uk later this year.

TREASURY

Homelessness in Corby

The petition of residents of the UK,

Declares that there were 35 homeless men and women living on the streets of Corby during the winter of 2014-2015; further that they are without a home through no fault of their own; further that the work of local charities, churches and other organisations does not suffice to ease their situation; and further that an online petition on this matter was signed by 677 individuals.

The petitioners therefore request that the House of Commons urges the Government to put pressure on Corby Borough Council to provide adequate housing for Corby's homeless people.

And the petitioners remain, etc.

[P001681]

Observations from the Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):

Nobody should ever have to sleep rough, and the Government remain absolutely committed to preventing and reducing homelessness.

We have increased funding for central programmes to prevent and reduce homelessness to £139 million over the next four years. This will include a new national £10 million programme to support and scale up innovative ways to tackle rough sleeping, and a new £10 million Social Impact Bond fund to help the most entrenched rough sleepers move off the streets. These programmes will build on the success of our No Second Night Out initiative and London's existing Social Impact Bond. As well as this, we will also be launching an additional £100 million programme for low-cost move on accommodation, including for rough sleepers leaving hostels

Local authorities, in partnership with frontline organisations, play a vital role in preventing and reducing homelessness. In protecting homelessness prevention funding for local authorities, totalling £315 million by 2019-20, we expect them to provide quality advice and assistance to those that approach them for help. Since 2010, this investment has helped local authorities prevent or relieve over 1 million households from becoming homeless. The Government are also considering options, including legislation, to prevent even more people from facing a homelessness crisis in the first place. In doing so, we are looking to learn from other countries who have innovated in the way they deal with homelessness.

Ministerial Correction

Thursday 12 May 2016

CABINET OFFICE

Electoral Fraud: Tower Hamlets

The following is an extract from the Adjournment debate on 18 April 2016.

John Penrose: I hope the hon. Gentleman will appreciate that I cannot comment on specific details of ongoing investigations. As an experienced parliamentarian and former Minister, he will understand the constraints of what I can and cannot say. He is, however, doing entirely the right thing. He mentioned that he was about to have discussions and meetings with Commissioner Hogan-Howe and perhaps others. I hope that they can provide him with further reassurances about what is going on with the investigations. I understand that there are still investigations into grant fraud, for example, in

parallel with the ongoing investigations into electoral fraud. They perhaps cannot be made public, but he might be able to get further reassurances.

[Official Report, 18 April 2016, Vol. 608, c. 756.]

Letter of correction from John Penrose:

An error has been identified in the response I gave to the hon. Member for Poplar and Limehouse (Jim Fitzpatrick).

The correct response should have been:

John Penrose: I hope the hon. Gentleman will appreciate that I cannot comment on specific details of ongoing investigations. As an experienced parliamentarian and former Minister, he will understand the constraints of what I can and cannot say. He is, however, doing entirely the right thing. He mentioned that he was about to have discussions and meetings with Commissioner Hogan-Howe and perhaps others. I hope that they can provide him with further reassurances about what is going on with the investigations. I understand that there are still investigations into grant fraud, for example, in parallel with the **closed** investigations into electoral fraud. They perhaps cannot be made public, but he might be able to get further reassurances.

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