

**Monday
10 July 2017**

**Volume 627
No. 14**



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Monday 10 July 2017

HER MAJESTY'S GOVERNMENT

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OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SEVENTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 13 JUNE 2017]

SIXTY-SIXTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES

VOLUME 627

SECOND VOLUME OF SESSION 2017-2019

House of Commons

Monday 10 July 2017

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Reserve Centres

1. **Jim McMahon** (Oldham West and Royton) (Lab/Co-op): What discussions he has had with local authorities and the devolved Administrations on reserve centre closures; and if he will make a statement. [900293]

The Minister of State, Ministry of Defence (Mark Lancaster): At the first Defence questions of the new Parliament, may I remind the House of my interest, namely that I am in my 29th year of service in the Army Reserve?

The Ministry of Defence regularly holds discussions with local authorities and the devolved Administrations on reserves. That includes engaging with all stakeholders on sites that are earmarked for closure or for the establishment of new reserve units. The release of sites no longer required by the Ministry of Defence will free up land for new housing and raise money to reinvest in our armed forces.

Jim McMahon: Like the Minister, my father was a Territorial Army reservist, so I know the importance of the reserve. Would it not make more sense, rather than jumping to a closure and then contacting the devolved Administrations, to have a pre-consultation to make sure that where facilities are being reviewed across the board—ambulance stations, fire stations and so on—we have a single estates strategy for public sector assets?

Mark Lancaster: Of course, we do engage with local authorities to the best of our ability, but no final decisions have been made in the Army Reserve Refine programme. It would therefore be premature to engage with local authorities to say which, if any, Army Reserve centres are closing. However, that piece of work on the reserves brings good news as well, so I am delighted to take this opportunity to announce the creation of two new infantry battalions as a result of it: 4th Battalion the Princess of Wales's Royal Regiment, whose headquarters will be at Redhill, and 8 Rifles Battalion, whose headquarters will be at Bishop Auckland.

Mr Andrew Mitchell (Sutton Coldfield) (Con): May I offer my hon. Friend very warm congratulations on his promotion to Minister for the armed forces? As a distinguished and senior officer in the reserve, is he not perfectly placed to make decisions on reserve centre closures?

Mark Lancaster: I am very grateful to my right hon. Friend for his warm words. As his former Parliamentary Private Secretary at the Department for International Development, I know only too well of his contribution to the comprehensive approach during his tenure there. It is rare as a Minister to be appointed to a Department one actually knows something about. On that basis, I am delighted to be here. It is great to be in this position and I hope to use any experience I have.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): May I, too, congratulate the Minister on seemingly knowing what he is talking about?

In recent days I became aware, via the office of the deputy lord lieutenant of the county of Dunbartonshire that he had informed the provost of West Dunbartonshire, as the local government's civic leader, that armed forces veterans' day would not take place due to there being no capacity in the armed forces to deliver it. As the Member of Parliament for West Dunbartonshire, it gives me grave cause for concern that veterans in local families in West Dunbartonshire, including those in my own family who have served, will not be given the appropriate thanks by their local community. Will the Minister, on behalf of the Ministry of Defence, advise me and other Members of the House whose local communities may have been unable to hold veterans' day that this will not happen again?

Mark Lancaster: Armed Forces Day has become quite a success, so I am disappointed to hear what the hon. Gentleman says. I visited Bangor in Northern Ireland and my colleagues have visited other places in the United Kingdom. The Armed Forces Day centring on Liverpool this year was a particular success. However, I am concerned by what he says and would like to think that all our units, whether Army Reserve units, Regular units or cadet forces, will do whatever they can to support Armed Forces Day. I will certainly look into what he has said.

Bob Stewart (Beckenham) (Con): Does the Minister agree that a crucial criterion when considering dismissing or abandoning reserve centres is to ensure that our reserve centres are as close as possible to the reserve soldiers who will man them, so that they do not have to travel far?

Mark Lancaster: Of course, our reserves have become very much a success over recent years. Over the last year, some 5,000 extra reserves were recruited—an increase of some 5% on the Army Reserve of 2016. One of the great challenges we face is to ensure that the footprint is equal across the country. That is why the Army Reserve Refine piece of work that is going on is so important. One of the principal aims is to ensure that the footprint is even across the country.

Nick Smith (Blaenau Gwent) (Lab): Abertillery in my constituency is home to the 211 Battery, which has the reserve's only unmanned air systems operators. I understand that the Department is scrapping the Black Hornet unmanned aerial vehicle, but is still using the Desert Hawk model. Will that have an impact on the successful and popular Blaenau Gwent-based unit?

Mark Lancaster: As I said earlier, I think that the reserves Refine piece is overwhelmingly a success story. I am sorry that I am not currently in a position to give the House the final details, but I will go out of my way to ensure that all Members are informed in advance of any changes in their local units.

James Gray (North Wiltshire) (Con): My hon. and gallant Friend has referred to a footprint for the reserve forces. That is terribly important, because, as was pointed out by my hon. Friend the Member for Beckenham (Bob Stewart), they have to live near their bases. Reserve centres are also very useful as the outward face of the British Army throughout the nation where there is not otherwise any military presence. They are often co-located

with, for instance, cadet battalions, and they have a huge usefulness quite apart from their military usefulness. Does it not concern my hon. Friend that what he described as a footprint may become a toehold?

Mark Lancaster: I am quite confident that at the end of the reserves Refine process, the footprint will still be substantial across the United Kingdom. We are not considering major closures across the UK, and I would hate to imply that that is the correct impression. Indeed, today I announced the creation of two new reserve units. I think that, as we continue to increase the size of our reserves, the story is a positive one.

NATO: Estonia and Poland

2. **Tom Tugendhat** (Tonbridge and Malling) (Con): What contribution the Government are making to NATO's reassurance measures in Estonia and Poland. [900294]

6. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What contribution the Government are making to NATO's reassurance measures in Estonia and Poland. [900298]

The Secretary of State for Defence (Sir Michael Fallon): The United Kingdom is supporting NATO's enhanced Forward Presence, which is designed to defend our allies and deter our adversaries. About 800 UK personnel based on armoured infantry form the core of our battlegroup in Estonia. In Poland, a British reconnaissance squadron is part of the US-led battlegroup. Both deployments are defensive but combat-capable.

Tom Tugendhat: I am sure that my right hon. Friend welcomed, as I did, the congressional vote that renewed the United States' commitment to article 5. Will my right hon. Friend say a little about Britain's commitment to it, particularly in relation to units such as the Estonian armed forces, alongside whom I—and many other Members—had the privilege to serve in, for instance, Afghanistan?

Sir Michael Fallon: It is good that both Congress and, now, the President have committed themselves to article 5, the most important principle of NATO. In Washington on Friday, Secretary Mattis and I agreed to continue our work together to modernise NATO and give it more focus on counter-terrorism and hybrid warfare. As my hon. Friend has said, one of the reasons that our contribution to the enhanced Forward Presence is based in Estonia is indeed our good experience of working with Estonian forces in Helmand, Afghanistan.

Daniel Kawczynski: Joint military exercises in the Suwalki gap are obviously very welcome, as are rotational deployments of troops in Poland, but when will the United Kingdom use its senior position in NATO to press that organisation for a permanent NATO base in eastern Poland?

Sir Michael Fallon: Our defence relationship with Poland is close. Since the beginning of 2016 I have met Minister Macierewicz at least five times, and we aim to sign a defence treaty with Poland later this year. NATO, of course, already has a small permanent base in Poland, the Multinational Corps Northeast headquarters in Szczecin, to which the United Kingdom contributes personnel.

Vernon Coaker (Gedling) (Lab): I very much support what the Defence Secretary has said about the contribution that we are making in respect of NATO in Estonia and Poland, but having spoken to a couple of constituents at the weekend, I believe that the Government, and all of us, have a job of work to do to explain to the British public the importance of NATO and the continuing need for us to be vigilant in eastern Europe.

Sir Michael Fallon: I absolutely agree. We need to keep restating the case for NATO, and it is sometimes sad to see the case for it being questioned. We must restate its importance. It was good to hear the President reinforce that in his speech in Warsaw on Friday, but I think that all of us in the House have a responsibility to explain why our troops are being deployed to Poland and Estonia, why our Typhoons are based in Romania this summer, and why we are committing Royal Navy ships to the standing maritime groups this year.

Bridget Phillipson (Houghton and Sunderland South) (Lab): One of the biggest threats facing all NATO member states is the growing sophistication and volume of cyber-attacks. What collective action are the Secretary of State and his colleagues taking to counter that threat?

Sir Michael Fallon: As I said, Secretary Mattis and I have agreed that NATO needs to prioritise its work on cyber and other forms of hybrid warfare, which is just as important as its conventional deployments. We are now doing that; that work was agreed in principle at the Warsaw summit a year ago, and we continue to urge other members to do that, too. In addition, we have offered to put Britain's offensive cyber capabilities at the service of NATO, if required.

Dr Julian Lewis (New Forest East) (Con): These deployments are certainly defensive, as the Secretary of State stated, but they will be represented as offensive by the Russians. What measures are the Government taking to keep open a line of communication with the Russians, to make it absolutely clear to them that this would not be happening but for their own conduct in Ukraine and elsewhere?

Sir Michael Fallon: NATO is, as my right hon. Friend knows, a defensive alliance and these deployments are defensive in nature. It is important in respect of Russia that we explain these deployments and the purpose of them, and we are transparent about the number of personnel and the units involved. To that end, we already have machinery in place whereby our vice-chief of the defence staff has regular discussions with his opposite number to explain the deployments and ensure that there is no misunderstanding about them.

Stewart Malcolm McDonald (Glasgow South) (SNP): As this is the first Defence questions of the new Parliament, may I begin by putting on record the Scottish National party's welcome for the announcement on Type 26s, and also welcome the fact that Scotland is, of course, the only part of the UK that can build these complex ships?

On the issue of cyber, what is the Secretary of State's assessment of what the President of America tweeted at the weekend on the idea of an impenetrable cyber security unit? What would that mean for a country such as Estonia, for NATO, and for the United Kingdom?

Sir Michael Fallon: I will take for what it is the hon. Gentleman's welcome for Type 26, on which there is a later question on the Order Paper. Of course, if the SNP had had its way on the nuclear deterrent we would not be needing the Type 26 frigates at all, because they are designed to protect a deterrent that the SNP voted against.

We have cyber expertise in this country, as do Estonia and other countries inside the alliance; we now need to bring that expertise together to counter the cyber-attacks made by our adversaries.

Former Military Personnel: Depression and Suicide

3. **Andrew Rosindell** (Romford) (Con): What steps he is taking to reduce rates of depression and suicide among former British military personnel. [900295]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): We ask much of our brave service personnel and recognise that service life can cause stress, so we are absolutely committed to providing the necessary mental health and welfare support both during the time of service and on retirement.

Andrew Rosindell: I thank the Minister for his reply, but can he tell us more about the Veterans' Gateway and how it will work alongside the young royals' charity, the Heads Together campaign, to support veterans with mental health problems?

Mr Ellwood: There are 2.5 million veterans in this country and the majority make the transition to civilian life without a problem, but some do not, and that is no fault of their own. There are over 500 main charities providing support, including the one my hon. Friend mentions. The Veterans' Gateway is that initial portal to avoid the confusion of where to turn to. So I welcome this initiative, and would love to take credit for it myself, but I cannot as it was down to my predecessor, my hon. Friend the Member for Milton Keynes North (Mark Lancaster), who is now the armed forces Minister.

Mr Speaker: Very good intra-office arrangements; splendid.

Susan Elan Jones (Clwyd South) (Lab): We all owe a great debt of gratitude to those armed forces charities that work so hard supporting former military personnel facing depression and other conditions, but why will the Government not commit to the Royal British Legion's "Count Them In" campaign so that the charities, the statutory services and everyone else can know where former military personnel live?

Mr Ellwood: This is down to a data issue. We are putting together a veterans register, but there is a Data Protection Act issue. We work with Cobseo—the confederation of service charities—and we will be establishing a veterans' board as well, to make sure that we are meeting the needs of our veterans.

Johnny Mercer (Plymouth, Moor View) (Con): LIBOR funding has been a real lifeline for many charities across the UK, including in Plymouth, where we recently secured £80,000 for a veterans care navigation service. Beyond 2018 that LIBOR funding dries up, however;

what thought has the Minister given to getting veterans care on to a sustainable model, so that we can do our duty by those who serve?

Mr Ellwood: I pay tribute to the work that my hon. Friend has done in this area. He is right to say that the LIBOR funding has been so useful in providing sources of revenue for a number of key projects, and we need to ensure that that continues. I would like to highlight one of those projects, Combat Stress, whose 24/7 phone line has been paid for by LIBOR funds, providing an important service.

Graham Jones (Hyndburn) (Lab): Following the question from my hon. Friend the Member for Clwyd South (Susan Elan Jones) about voluntary groups, I would like to mention two wonderful groups in my constituency—the Veterans Association UK and Veterans in Communities—that do wonderful work with ex-service personnel. What guarantee can the Government give that they will support such organisations in the future?

Mr Ellwood: These organisations play an important part in looking after not only the transition but the veterans themselves, who have given so much during their service life. This is part of our covenant commitment, as the hon. Gentleman will be aware, and I am grateful that he has mentioned those charities. The veterans board will also help with that. All our commitments to do with the covenant are important, but the Veterans' Gateway programme will ensure that such small charities get the publicity they deserve.

Leo Docherty (Aldershot) (Con): The role of all three services of the British armed forces in the liberation of Mosul in Iraq in recent days must be commended. Will the Secretary of State tell me what plans we have for further involvement in Iraq and whether he agrees that the British Army has a crucial role in mentoring and training the Iraqi forces, who are a hugely important ally?

Mr Ellwood: I am a Minister in the Ministry of Defence rather than the Secretary of State, but I am glad that my hon. Friend has such confidence in me. I welcome him to his place. It was a pleasure to join him on the 35th anniversary of the Falklands conflict. He is right to ask what should happen next. As we have seen so many times in various conflicts, there has not been that important transition from war-fighting to peacekeeping, but I know that the Secretary of State is involved in this matter.

Common Defence and Security Policy

4. **Kerry McCarthy (Bristol East) (Lab):** What discussions he has had with his European counterparts on the effect of the UK leaving the EU on the UK's participation in the Common Defence and Security Policy. [900296]

The Secretary of State for Defence (Sir Michael Fallon): While still an EU member, we will maintain our contributions to CSDP missions and operations. The Prime Minister has made it clear that after Brexit we want a deep and special partnership with the European Union that encompasses economic and security co-operation. Europe remains our continent, and we

will continue to play our part in its security, through NATO, through our bilateral relationships and through collaboration on defence and research programmes.

Kerry McCarthy: I thank the Secretary of State for that response. Last week, giving evidence in the Lords, Baroness Ashton, Lord Robertson and Lord Hague all expressed concern about the impact of Brexit on our influence in the world. Does the Secretary of State agree with Lord Hague that we should be seeking permanent membership of the EU's Political and Security Committee to ensure that we can lead a united response on issues such as sanctions on Iran and that we have a united voice on the Falklands?

Sir Michael Fallon: After Brexit, we will still have the largest defence budget and the largest navy in Europe. We have a range of assets and capabilities on which other countries in Europe will want to continue to work with us. So far as foreign policy is concerned, we have not yet got to the point in the negotiations of sorting out exactly what the relationship will be, but let me assure the hon. Lady that I expect to continue our co-operation with my fellow Defence Ministers.

Jack Lopresti (Filton and Bradley Stoke) (Con): Does my right hon. Friend agree that it would be far better for our European friends to focus on their NATO membership and their commitment to defence spending of 2% of their GDP, rather than trying to create some sort of bogus EU defence force?

Sir Michael Fallon: We all agreed—it was not just Britain—at the time of the Warsaw summit that the European Union and NATO needed to work together to avoid unnecessary duplication. We agreed to co-operate in areas where both could add value but to avoid the need to set up fancy new headquarters and duplicate what was already being done in NATO.

Fabian Hamilton (Leeds North East) (Lab): The European Defence Agency supports the improvement of defence capabilities and provides a forum for European co-operation on research and development. Will the Secretary of State be recommending that we remain a member of the EDA? If not, will he explain what our relationship with it will be, post-Brexit?

Sir Michael Fallon: The European Defence Agency is an important forum, but it is not the only forum in which collaboration takes place. Some of that collaboration is outside the treaty, including some of the work that we have done together on Typhoon and on other major equipment projects. Obviously we expect to have some kind of relationship with the European Defence Agency after Brexit, and that will be discussed in the negotiating process that awaits us.

Henry Smith (Crawley) (Con): I am pleased to hear my right hon. Friend state that NATO is the cornerstone of our defence alliance. Will he assure me that the pan-European co-operation of defence contractors, such as Thales in my constituency, will continue?

Sir Michael Fallon: Yes. Several important companies, such as Thales, Leonardo, Airbus and so on, are based both in Europe and in the United Kingdom, and it is important to ensure that their investment and employment here is fully taken into account after Brexit.

Service Accommodation

5. **Fiona Onasanya** (Peterborough) (Lab): What discussions he had with contractors on their delivery of service accommodation; and if he will make a statement. [900297]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The national housing prime contractor is CarillionAmey and, with support from the MOD, performance levels for service accommodation have been met and sustained. Both organisations meet monthly to review performance, and the Department will penalise poor performance where necessary.

Fiona Onasanya: I thank the Secretary of State for his response. What estimate has he made of the impact of renegotiating the lease in 2021? Will the costs fall on service families?

Mr Ellwood: I am grateful to the hon. Lady for calling me the Secretary of State; I hope that if enough people say that, it will actually—[*Interruption.*] I should not say that. I will say, however, that the hon. Lady raises the important issue of ensuring that service family accommodation is up to par. That forms part of our armed forces people proposals, which I will be speaking more about in the House. I hope that we will have the opportunity to review the contract in 2021, but I hope the hon. Lady understands that negotiations will take place and that we will we keep the House updated.

Andrew Bridgen (North West Leicestershire) (Con): Will my right hon. Friend assure the House that there are no plans to eradicate single-living accommodation for service personnel?

Mr Ellwood: As far as I understand it, there are no plans to remove single-living accommodation, which forms part of the complex offering of service family accommodation. As we have heard, we need to rationalise the defence estate across the country, and we are returning officers and personnel from the Rhine, which will require building projects, including single-living accommodation.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): As we have heard, the Armed Forces Pay Review Body's 46th report found that there was an

“overwhelming view that the maintenance service provided by CarillionAmey was continuing to fall well short of the needs of Service personnel and their families.”

Service families are tired of Government platitudes, so how bad do things have to get before the Government get a grip on the issue?

Mr Ellwood: I welcome the hon. Gentleman to his place and to the Dispatch Box. He is right to raise that issue. I have just inherited this brief, and there has been concern about standards, in which the Secretary of State has taken a personal interest. We are ensuring that performance levels are up to par, and there will be an opportunity to renegotiate the contract in 2021.

Armed Forces Pay

7. **Mike Amesbury** (Weaver Vale) (Lab): What recent discussions he has had with the Armed Forces Pay Review Body on levels of pay for the armed forces. [900299]

The Secretary of State for Defence (Sir Michael Fallon): Ministers are in regular contact with the Armed Forces Pay Review Body as part of the annual pay round process. I gave oral evidence to the review body last November prior to its 2017 report, and I expect to meet it again prior to its 2018 report.

Mike Amesbury: Given that every Minister, including the Defence Secretary, voted against lifting the pay cap, does that not prove that their praise is more hollow words than good deeds?

Sir Michael Fallon: We all want to see people in public service, including in the armed forces, properly remunerated for what they do, but any pay settlement must obviously take account of taxpayers' interests and be fair to our need to get our deficit under control. We are advised by an independent pay review body that, unlike some other pay review bodies, it is specifically required to look at comparability with the civilian sector and to take account of any evidence regarding recruitment and retention.

Mr Philip Hollobone (Kettering) (Con): At times when general employment levels rise and unemployment levels fall, and with the continued strength of our economy, it gets more and more difficult to recruit and retain armed forces personnel. Will those be key factors in the consideration of this issue?

Sir Michael Fallon: My hon. Friend is right. We are competing for the best of every generation against other sectors of the economy, which of course are growing. The Armed Forces Pay Review Body, in recommending a 1% pay rise in its last report, said:

“We believe that...an increase of one per cent in base pay...will broadly maintain pay comparability with the civilian sector.”

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Further to that last question, figures released to me last week by the Secretary of State's Department in a written answer show that recruitment to our infantry fell by 18% in the last year alone. Does he not accept that not giving a fair pay rise is having a direct impact on recruitment?

Sir Michael Fallon: That is not the view of the Armed Forces Pay Review Body. As I have just indicated to the House, the pay review body believes that its settlement, recommended last year, does maintain pay comparability with the civilian sector. Some 8,000 people joined the armed forces in the last 12 months, but when the pay review body comes to make its recommendation for next year, it will of course look specifically at the evidence on recruitment and retention—and it does that in a way that some other review bodies are not able to do.

Nia Griffith (Llanelli) (Lab): After losing her majority at the general election, the Prime Minister has now signalled that she is prepared to work across the House with other parties on areas of agreement. In that spirit, I make a constructive offer. The Government have just introduced the Armed Forces (Flexible Working) Bill in the other place. If the Government agree to amend the Bill to include a real-terms pay rise for our armed forces

personnel, they can count on Labour's support, so will they agree to work with us to give our armed forces the pay award they deserve?

Sir Michael Fallon: We all want to see our armed forces properly remunerated for the service they give us, but it is also incumbent on the hon. Lady to make it very clear how any increase she favours would be properly paid for. That is something she has not done and her party has not done—it certainly did not do it at the last election. The pay review body system is beyond party politics in this House. It is an independent pay review body that looks at comparability with the civilian sector, looks at the issue of retention and recruitment and makes its recommendation, which last year we accepted in full.

Nia Griffith: On the contrary, our manifesto was fully funded, and the Government know that. They know how to raise taxes if they need them. The fact is that the Armed Forces Pay Review Body is severely constrained by the overall 1% cap on public sector pay that the Government have imposed. If the Government will not legislate for a pay rise, will the Secretary of State at least allow the pay review body to carry out a mid-year review and report on what our armed forces should be receiving if the cap were not in place?

Sir Michael Fallon: I am staggered that the hon. Lady thinks her manifesto was fully costed or, indeed, fully funded. There were billions in that manifesto that were due to be borrowed and paid for by future generations. We have implemented the pay review body's recommendation in full for this financial year and, for next year, evidence is already being acquired by the pay review body. I will give my evidence to the pay review body later in the year, and we will see what it recommends.

Royal Navy: Personnel

8. **Mr John Baron** (Basildon and Billericay) (Con): What assessment he has made of whether the Royal Navy has sufficient personnel to operate (a) all vessels and (b) the Queen Elizabeth class aircraft carriers. [900300]

The Minister of State, Ministry of Defence (Mark Lancaster): The Royal Navy is growing, with 400 more personnel, more ships and new submarines. The Royal Navy remains on track to achieve its manning levels for 2020 and will have sufficient manpower to continue to meet all its operational requirements. That includes ensuring that the Queen Elizabeth class aircraft carriers can always operate safely and effectively.

Mr Baron: Given concerns that we are hollowing out our armed forces' manpower in favour of big-ticket items, what is the Minister, and indeed the Government, doing to ensure that we not only have the manpower to operate those big-ticket items but the ships to protect them when at sea? Global uncertainties abound, and over 90% of our trade is maritime borne.

Mark Lancaster: My hon. Friend highlights the challenges we face in recruiting in our growing economy, and I am pleased that the Navy's efforts to address shortages of engineers are beginning to show dividends,

through the personnel recovery programme. He will also be aware of our investment in offshore patrol vessels, five of which are currently under construction, and in the new Type 26s—we will cut steel later this month.

Ruth Smeeth (Stoke-on-Trent North) (Lab): In March 2017, total Royal Navy numbers were 710 below their liability, and it is reported that currently only six of our service escort platforms are at sea or fully operational. Given that last year we had a net manpower loss of 750, how can we be assured that we have the right retention policies to operate all of our platforms, when they are so desperately needed?

Mark Lancaster: The Royal Navy is growing; I am pleased that for the first time in a generation the establishment of the Royal Navy will grow, by 400, as I said. I have mentioned the personnel recovery programme, an excellent programme that has sought to address the shortages of engineers through apprenticeships and through affiliation with university technical colleges. It is a long-term programme, but it is working.

Wayne David (Caerphilly) (Lab): The truth is that the Royal Navy has experienced catastrophic cuts in personnel over the past seven years and now the chickens are coming home to roost; the Navy is even asking 55 to 60-year-olds to rejoin on short-term contracts. Will the Government now recognise the error of their ways and recruit, on good wages, the personnel we need? The Prime Minister has asked for ideas from the Opposition, so will the Minister pass my suggestion on to the Prime Minister?

Mark Lancaster: With the greatest respect to the hon. Gentleman, this seems to be a common theme when we come to the Dispatch Box: he is always terribly negative. I am determined to try to support our serving personnel and, as I have tried to explain, an awful lot of effort is going in at the moment. This really is the year of the Navy, with more than £3 billion invested in the Royal Navy. We are seeing two new carriers; the fourth Astute class was launched recently; and we are seeing the contract launch for three Type 26s. The future is bright for the Royal Navy and I wish he would stop talking it down.

Mr Speaker: There is no doubting the comprehensiveness of the replies, but if we could make slightly more timely progress, that would be appreciated by Back Benches.

Armed Forces Covenant

9. **Lucy Allan** (Telford) (Con): What steps he is taking to strengthen the armed forces covenant. [900301]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The Government are committed to ensuring that service personnel, veterans and their families are not disadvantaged, and that special provision is made for those who have sacrificed the most. We will continue to use the £10 million annual covenant fund to build partnerships that support our military and wider society, including the recently launched veterans gateway, which was mentioned earlier.

Lucy Allan: Some councils are much more proactive than others in supporting the armed forces covenant and in marking Armed Forces Day. Telford's Labour-run council has more work to do in ensuring that warm words on a website translate into action. What does he suggest can be done to encourage increased participation in future?

Mr Ellwood: I am really upset to hear that Telford did not join the hundreds of local authorities across the country on 24 June to pay tribute to our armed forces. I was in Plymouth; as we have heard, the Minister of State, Ministry of Defence, my hon. Friend the hon. Member for Milton Keynes North (Mark Lancaster) was in Northern Ireland; the Under-Secretary of State for Defence, my hon. Friend the Member for West Worcestershire (Harriett Baldwin) was in Woolwich; and the Secretary of State was with the Prime Minister in Liverpool. I am not sure whether the Leader of the Opposition was on that day. We are putting a package of measures together to be given to all hon. Members, so that they can talk to their local authorities and so that next year Telford's council will join others around the country in paying tribute to our armed forces.

Rachel Reeves (Leeds West) (Lab): The armed forces covenant is a covenant between those who serve on the frontline and the Government. Those serving on the frontline have over the past six years experienced a real-terms pay cut of about 10%, so does the Minister not agree that that bond of trust is wearing a little thin?

Mr Ellwood: The Secretary of State has already answered the question on the pay itself, but the hon. Lady is absolutely right in what she implies: we have to make sure that we look after our service personnel. We put them in danger and in harm's way, and we must look after them. Armed Forces Day is one opportunity for the nation to show its appreciation.

Ms Nusrat Ghani (Wealden) (Con): The armed forces covenant covers equal access to healthcare. While on the armed forces parliamentary scheme, I met many veterans and serving personnel who have issues relating to stigma and mental health. What more is being done about that?

Mr Ellwood: I am pleased to be launching the new mental health strategy at the end of the month. We are bringing together the "Five Eyes"—New Zealand, Australia, the United States, Canada and the United Kingdom—to share best practice on how best to look after our armed forces when they move, retire and become veterans.

Mrs Emma Lewell-Buck (South Shields) (Lab): I am a proud patron of the veterans charity Forward Assist. Back in March, it was promised just under £200,000 from the tampon tax fund to help its work with female veterans, but the money has yet to materialise. Will the Minister say why there has been a delay and when the money will be released?

Mr Ellwood: I hope the hon. Lady will understand that I am not armed with that information, but I would be more than delighted to meet her to discuss the matter. I pay tribute to her for the work she does to support that important charity.

Armed Forces: Life Satisfaction

10. **Jenny Chapman (Darlington) (Lab):** What steps his Department is taking to improve service life satisfaction rates in the Armed Forces. [900302]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The experience and morale of service personnel are central to defence. Both the Department and the new single services place the management of this as a high priority. As such, we have put in place a large number of programmes, namely the flexible engagement system—a Bill on which will come to the House shortly—the future accommodation model, the new joiners offer and the armed forces family strategy.

Jenny Chapman: Currently, forces families are given special assistance by local authorities when they leave the Army. Is the Minister aware that, upon divorce or separation, an Army spouse is instantly no longer classed as part of an Army family and receives no such support? Will he look into this and consider amending the advice given to local authorities?

Mr Ellwood: I am certainly happy to look into that, and I am grateful that the hon. Lady has taken the matter up. It is important that we get the package of measures right so that we can support our armed forces personnel and their families as they transition through their career.

Will Quince (Colchester) (Con): A key part of improving service life satisfaction is ensuring that soldiers can get their children into a good school that understands military life. Will the Minister join me in congratulating Montgomery Infant School and Nursery and Montgomery Junior School, which are celebrating having served the military community in Colchester for 50 years?

Mr Ellwood: I welcome my hon. Friend to his place. Those are two schools out of almost 500 around the country that are located near garrisons and that provide support for the children of armed forces personnel. It is important that that continues. The service pupil premium is important for making sure that we look after those pupils, particularly as they end up moving around because of their parents' careers.

John Cryer (Leyton and Wanstead) (Lab): Would service life satisfaction rates be improved by job security? On that basis, will the Minister assure the House that the Army will be no smaller at the end of this Parliament than it is now?

Mr Ellwood: That is absolutely the intention. The hon. Gentleman is right to look at the life satisfaction survey, which is one reason behind some of the initiatives that I have mentioned, including the various reviews that are taking place.

Defence Spending

11. **Michael Tomlinson (Mid Dorset and North Poole) (Con):** What plans the Government have to increase the defence budget in this Parliament. [900303]

The Secretary of State for Defence (Sir Michael Fallon): Our defence budget for 2017-18 is £36 billion, and we are committed to increasing it by at least half a per cent above inflation every year of this Parliament. In addition, we are committed to continuing to meet the NATO guideline to spend at least 2% of our GDP on defence until 2022. Those two commitments will ensure that our armed forces can help to keep Britain safe.

Michael Tomlinson: The United Kingdom leads the way, with the biggest defence budget in Europe, but what more can be done to encourage other nations to play their part and increase their spending to protect our collective security?

Sir Michael Fallon: Since the Wales summit in 2014, defence spending by our allies in Europe has been increasing. Three more countries now meet that 2% target and more than 20 are committed to meeting it by a particular date. We continue to press those allies that have not yet met or planned to meet the target to do so.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Secretary of State will know that his Department recently stated that the trained strength of our armed forces is down below 140,000. If we are to keep people in our armed services satisfied, can we go back to what they were proud of—the tradition of taking in a lot of trainees and being one of the best trainers in the world?

Sir Michael Fallon: We are one of the best trainers in the world, and our armed forces training is highly respected the world over. Other countries are constantly telling me that they want more places at Cranwell, Sandhurst and Dartmouth; they also want our armed forces to go out and train, as we are doing in Ukraine and Nigeria; and we have the largest apprenticeship programme in the country.

Dreadnought Submarines

12. **Sir Desmond Swayne (New Forest West) (Con):** What progress is being made on implementing the Dreadnought submarine programme. [900304]

16. **Mrs Pauline Latham (Mid Derbyshire) (Con):** What progress there has been on the programme to build four Dreadnought submarines. [900308]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): Thanks to the vote a year ago, the Dreadnought programme to replace the four Vanguard-class nuclear-armed submarines is on schedule. Construction on Dreadnought, the first of her class, commenced as planned in October 2016 at the BAE Systems yard in Barrow-in-Furness.

Sir Desmond Swayne: Will the handover from Vanguard to Dreadnought be seamless?

Harriett Baldwin: Certainly if I and the 80% of people who took part in the vote a year ago have anything to do with it, it will be. I gently draw the House's attention to the fact that both the shadow Defence Secretary and the Leader of the Opposition voted in the opposite Lobby on that day.

Mr Speaker: Perhaps the right hon. Member for New Forest West (Sir Desmond Swayne) would be good enough to circulate to all parliamentary colleagues his textbook on succinct questions from which they would greatly benefit.

Mrs Latham: The Dreadnought submarine programme is important to my constituents, many of whom work at the Rolls-Royce Raynesway facility which is building the pressurised water reactors that will go into those submarines. Rolls-Royce has been investing very heavily in the new facility to meet the demands of this programme. When will the Government make a decision?

Harriett Baldwin: My hon. Friend is absolutely right to highlight the fact that companies not just in Barrow-in-Furness but up and down this country are involved in carrying out highly skilled work in this incredibly elaborate programme. I had the pleasure of visiting Raynesway and her nearby constituency and I know how many people in Derby and in Derbyshire depend on that programme. I can assure her that we are making substantial investment in the site.

John Woodcock (Barrow and Furness) (Lab/Co-op): We were looking forward to discussing this very issue with the Minister during the general election campaign. I do not know what happened to her; perhaps she can come up to see us next time. Will she put the Government's full support behind our campaign now to raise education standards in the Furness area where, for generations, school leavers have had below average English and maths results, which is simply not good enough if we are to remain on track for the Dreadnought programme?

Harriett Baldwin: The hon. Gentleman is very kind to invite me for another visit to his constituency. I shall look forward to it. He rightly raises the important issue of the skills that we need as a country for these highly skilled and important jobs. I know that the Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East (Mr Ellwood), will be very happy to meet him to discuss what we are doing as we ensure that we put in place that pipeline of skills.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): I welcome the investment in the Dreadnought-class submarines, which will bring investment to Devonport dockyard in my constituency. Does the Minister agree that we also need to deal with the legacy of current and previous submarines and accelerate the slow pace of the submarine dismantling programme?

Harriett Baldwin: I congratulate the hon. Gentleman, who is the son of a submariner, on his arrival in this place. It is wonderful to have someone taking such a close interest in the matter. He will be aware that it is the subject of ongoing commercial negotiations. We will keep the House informed.

Defence Spending

13. **Paul Scully (Sutton and Cheam) (Con):** What estimate he has made of the level of defence spending required over the course of this Parliament. [900305]

18. **Jo Churchill** (Bury St Edmunds) (Con): What estimate he has made of the level of defence spending required over the course of this Parliament. [900311]

The Secretary of State for Defence (Sir Michael Fallon): The Government have committed to meeting the NATO guideline to spend at least 2% of our GDP on defence until the end of this Parliament, and to increase spending by at least half a per cent ahead of inflation every year of this Parliament.

Paul Scully: Is it not the case that we only need a growing defence budget if we are committed to leading in NATO, investing in our armed forces and giving them the equipment they need and maintaining our nuclear deterrent? Is it also not the case that this party is the only one that is committed to all three?

Sir Michael Fallon: My hon. Friend is spot on. We are leading by example in NATO. We are the second biggest defence spender in the alliance—one of only six members spending 2%—and we are committed to investing £178 billion in equipment between 2016 and 2026. Our growing defence budget means more ships, more planes, more armoured vehicles and more cutting-edge equipment for our forces.

Jo Churchill: Will the Secretary of State join me in welcoming the Apache helicopter package worth £48 million to secure high-skilled jobs at Wattisham airfield in my constituency, and does he agree that that will help our armed forces to keep us safe, and that it is all due to a growing defence budget?

Sir Michael Fallon: Yes, I was very pleased to announce this £48 million contract earlier this year, which will support jobs in my hon. Friend's area and provide world-class Apache training for our personnel. The Apache is a vital part of the British Army's fighting force and this investment is only possible thanks to a rising defence budget.

Chris Bryant (Rhondda) (Lab): The UK was a central part of the European forces in Bosnia, Althea, and in the Mediterranean, Atalanta. Does this mean that the Government will be committing to remain part of such European forces in the future, after we have left the European Union?

Sir Michael Fallon: That will become clearer after we leave, but we play an important part in Sophia, Althea and Atalanta not just because of our membership of the European Union but because it is in our national interest to help to deal with migration, to curb piracy off the horn of Africa and to help to stabilise the western Balkans.

Mr Speaker: On this question, I call John Howell.

15. [900307] **John Howell** (Henley) (Con): The millions spent on technical innovation on bases around the UK is crucial, particularly on my own base of RAF Benson, where CAE is a big contributor. Does the Secretary of State agree with that and what will he do to continue it?

Sir Michael Fallon: Yes, I do agree with that. That is why we have set aside a specific innovation fund to encourage more innovation in defence and to get more of our small and medium-sized businesses, of which I know there are a large number in and around my hon. Friend's constituency, to help us find these cutting-edge solutions.

Defence Suppliers: Innovation

14. **Nigel Mills** (Amber Valley) (Con): What steps he is taking to encourage innovation by defence suppliers. [900306]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): With an equipment plan worth £178 billion and a rising defence budget, there are great opportunities for innovative suppliers. The £800 million innovation fund will provide the Ministry of Defence with the freedom to pursue innovative solutions in an open, competitive process.

Nigel Mills: Will the Minister ensure that there is greater risk appetite in which projects are selected for funding to ensure that our armed forces have the best technology available to them?

Harriett Baldwin: My hon. Friend is absolutely right to highlight this issue. It is one of the things that we weight when we consider awards through the innovation fund to ensure that the projects with the highest risks but the biggest potential pay-off are the ones that are invested in.

Topical Questions

T1. [900318] **Derek Thomas** (St Ives) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Sir Michael Fallon): It is an honour to be reappointed as Defence Secretary. Our party has a proud record of supporting our armed forces and providing the budget to ensure that they have the capabilities they need. Since the election, our new carrier, HMS Queen Elizabeth, has sailed, Daesh has been defeated in Mosul with further RAF strikes in Syria and Iraq, and we have signed up Sweden and Finland to join our joint expeditionary force, demonstrating that Britain continues to step up in the world.

Derek Thomas: On that note, as the MP with RNAS Culdrose in my constituency, may I ask the Secretary of State for an update on airpower capability and training for the new Queen Elizabeth aircraft carrier?

Sir Michael Fallon: The Queen Elizabeth is designed to operate the F-35B Lightning II aircraft. One hundred and twenty British pilots and aircrew are training on the first 10 of these aircraft in the United States ahead of their arrival in the UK next year. The carrier will also operate Royal Navy Merlin helicopters, specifically those based in my hon. Friend's constituency at Royal Naval Air Station Culdrose.

Nia Griffith (Llanelli) (Lab): We welcome the fact that Iraqi forces, backed by the coalition air strikes, have managed to retake Mosul, with only a small section

of the city still under Daesh control. This has been a challenging and complex operation, and we pay tribute to the personnel who have played a part in it, including our forces working on Operation Shader. We know that the battle against Daesh and its evil ideology is far from over, so will the Secretary of State update the House on what further support our armed forces will be providing as Iraq's ground troops advance westwards towards Tal Afar?

Sir Michael Fallon: It is good to be able to agree with the hon. Lady about something today, and I join her in paying tribute to our services—the RAF, which has carried out more than 1,400 strikes in just under three years; the Army, which has helped to train more than 50,000 Iraqi and peshmerga troops; and the Royal Navy, which has helped to guard the American and French carriers when they have been striking from the Gulf. The military campaign is not over with the fall of Mosul. There remain other towns—Tal Afar, Hawija, in Nineveh province—and there are remnants of Daesh coalescing around the Middle Euphrates river valley, so there is still more work to be done, but there are 4 million fewer people living under Daesh rule since this House gave us permission to engage in this campaign.

T2. [900319] **James Heappey** (Wells) (Con): Further to the Secretary of State's update on progress against Daesh, I know that he will be as concerned as I am that as we defeat Daesh militarily on the ground, its threat seems to be changing as it attacks in other ways in other places. Will he update the House on what his Department is doing to counter those emerging new threats?

Sir Michael Fallon: My hon. Friend is right that the military campaign up the Tigris and along the Euphrates is just part of the strategy. We need to continue disrupting Daesh's online propaganda. We need to target its senior leadership and undermine its finances. The military campaign has to be combined, and seen as part of a broader coalition campaign to undermine this evil organisation and make sure that it never comes back.

Stewart Malcolm McDonald (Glasgow South) (SNP): Both the Defence and Foreign Secretaries seem to have suggested that UK forces may target others in Syria beyond the mandate that was given in this House in December 2015—namely, the Assad regime. Will the Secretary of State confirm that if he is to deviate from that mandate, it will only happen after a full debate and vote in this House?

Sir Michael Fallon: I can confirm that our target in Syria is Daesh. Our strikes are in and around Raqqa and other Daesh areas, including Deir ez-Zor, that Daesh continues to hold. It is not our aim to collaborate with either the regime or indeed its principal sponsor, Russia.

T7. [900324] **David T. C. Davies** (Monmouth) (Con): The Royal Navy has rescued hundreds of migrants in the Mediterranean and taken them to Italy, but has the time now come to consider taking them to North Africa in order to remove the incentive for people to risk their lives and to prevent money being made by people traffickers?

The Minister of State, Ministry of Defence (Mark Lancaster): As part of Operation Sophia, the Royal Navy and UK assets have saved more than 12,500 lives, destroyed more than 170 smuggling boats and apprehended 23 suspected smugglers. We are the only country in Europe that has provided at least one ship at all times. It is UK Government policy to tackle migration at its source, and we are pursuing a comprehensive response including training coastguards, providing sustainable alternatives to unmanaged migration and disrupting criminal gangs.

T3. [900320] **Angela Smith** (Penistone and Stocksbridge) (Lab): Given the delays in procuring the full order for Type 26 and Type 31 frigates, and given that HMS Ocean is to be paid off because of acute staffing shortages, just how does the Minister envisage that the Royal Navy will be capable of discharging its duties of protecting the UK at home and abroad?

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): I would have hoped for a few more words of welcome for the announcement of the Type 26 frigates, which will be ready for the out-of-service dates and replacement dates of the existing Type 23s. As the hon. Lady knows, HMS Ocean was always due to come out of service next year, and other amphibious capability will obviously be available.

Tom Pursglove (Corby) (Con): I know from my constituency casework that access to appropriate housing is often a big challenge for those leaving the armed forces. What steps are being taken to ensure that armed forces veterans are prioritised on waiting lists, and that the appropriate help and support is properly being provided?

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): We have touched on the importance of the veterans gateway programme, which we hope will provide a connection between the charities and those seeking that help. I also reiterate the importance of local authorities, and encourage all hon. Members to ask their local authorities what more they can do to provide the support our veterans need.

T4. [900321] **Dan Jarvis** (Barnsley Central) (Lab): I declare an interest as a former serviceman who served in Afghanistan.

The Secretary of State will have seen the recent coverage in *The Sunday Times* relating to alleged incidents that took place in Afghanistan and the subsequent Royal Military Police inquiry. Will he tell the House who took the decision to shut down Operation Northmoor? Why was that decision taken, when was it taken and was the Prime Minister kept informed?

Mr Speaker: Well, it will have to be a brief answer or it may need to be in writing. There are a lot of other questions to cover.

Mark Lancaster: In answering, I have to declare the same interest, having served in Afghanistan.

Our armed forces are rightly held to the highest standards, and credible, serious allegations of criminal behaviour must be investigated. Op Northmoor has

discontinued more than 90% of the 675 allegations received because there was no evidence of criminal or disciplinary offence. To date, no case has been referred to the Service Prosecuting Authority, but investigations continue.

Mr Speaker: Single sentence questions are really what is required.

Crispin Blunt (Reigate) (Con): Earlier, the hon. Member for Bristol East (Kerry McCarthy) referred to evidence that Lord Hague gave to the House of Lords EU External Affairs Sub-Committee about the European defence arrangements after Brexit. He said that the best proposal was a paper written by the former Chair of the Select Committee on Foreign Affairs. Has my right hon. Friend seen that paper or would he like to?

Sir Michael Fallon: I have not actually seen that paper yet, but I am very happy to procure a copy and read it. I made the position clear about common foreign and defence policy. We participate in those missions and operations at the moment, and we continue to press for a partnership with the European Union that encompasses economic and security co-operation.

T5. [900322] **Melanie Onn** (Great Grimsby) (Lab): Recently, I attended the Grimsby veterans breakfast, and I was told about the problems that former servicemen and women have in accessing local mental health services. What representations did the Defence Secretary make to the Health Secretary regarding the dropping of the promised new mental health Bill from the Queen's Speech?

Mr Ellwood: This goes into the new strategy that is being launched in a couple of weeks' time, and I would be delighted to learn more about what the hon. Lady learned at her meetings, but I can say that regular meetings take place between the Secretary of State and the Health Secretary.

Robert Courts (Witney) (Con): One of the major concerns of servicemen in Carterton, which surrounds Brize Norton in my constituency, is the quality of service housing. What steps is the Minister taking to provide high-quality housing for our service personnel?

Mr Ellwood: This relates to one of the key initiatives we are putting forward—the future accommodation model—and I would be delighted to write to my hon. Friend with more details.

T6. [900323] **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): At least 603 civilians have been killed by coalition air strikes in Iraq and Syria since the beginning of Operation Inherent Resolve, according to the coalition itself, but the UK has claimed responsibility for none of these incidents. Will the Secretary of State commit to greater scrutiny and transparency for civilian casualties caused by UK airstrikes in Iraq and Syria?

Sir Michael Fallon: Let me emphasise to the hon. Gentleman that we carry out an assessment after each of the RAF strikes. We investigate any allegation that civilians may have been caught up in these strikes. So

far, we have not seen any evidence that civilians have been killed by an RAF strike, but, obviously, every single allegation is carefully investigated.

Several hon. Members *rose*—

Mr Speaker: I hope the point about a sentence has been captured by colleagues—preferably a short one without all sorts of subordinate clauses.

Robert Jenrick (Newark) (Con): Will the Defence Secretary join me in welcoming the new Combined Cadet Force at the Newark Academy and the Magnus school in Newark, and agree to continue the roll-out of cadet forces in this Parliament, particularly in schools that have suffered from poor educational performance in the past?

Mr Ellwood: Yes and yes.

Mr Speaker: Splendid.

T8. [900325] **Nick Thomas-Symonds** (Torfaen) (Lab): Given that the Royal British Legion set out in the armed forces covenant annual report of last year its concerns about the mental health needs of veterans not being met as they should be, does the Secretary of State agree that we need a comprehensive approach to veterans' mental health, not just in the weeks after they leave the service but throughout their lives?

Mr Ellwood: We are providing a comprehensive approach. There is work that takes place, first, with those who are serving, to provide that umbrella of support, and then as they make their transition and, indeed, become veterans. We will be launching the new strategy in two weeks, and I look forward to making announcements to the House.

Jack Lopresti (Filton and Bradley Stoke) (Con): Will my hon. Friend confirm that the RAF will retain its existing surveillance capability—Sentinel—which proved so effective in Mali, and that the existing fleet will be maintained and continued?

Harriett Baldwin: I can confirm that. I had the pleasure of going to north Wales recently to extend the Sentinel contract to 2021.

T9. [900326] **Martyn Day** (Linlithgow and East Falkirk) (SNP): Will the Minister reverse the decision to shut down Operation Northmoor, given the recent report in *The Sunday Times* on possible criminal behaviour by an SAS unit in Afghanistan?

Mark Lancaster: It would be absolutely wrong for there to be ministerial interference in that operation. I am quite confident that Op Northmoor is appropriately resourced, both through personnel and finances, and I can only refer the hon. Gentleman to the answer I gave a few moments ago.

Dr Julian Lewis (New Forest East) (Con): Will the Government consider reinstating ring-fenced funding for the BBC Monitoring Service, given that its absence is leading to the closure of Caversham Park and a considerable reduction in the service's defensive potential?

Mark Lancaster: I am more than happy to look at the matter for my right hon. Friend.

T10. [900327] **Patricia Gibson** (North Ayrshire and Arran) (SNP): Given that the UK claims to support multilateral nuclear disarmament, will the Secretary of State tell the House why the UK boycotted the UN's nuclear ban treaty negotiations and how the UK Government will respond to the nuclear ban treaty? Can he understand the disappointment of so many of my constituents at the UK's boycott of these negotiations?

Mr Speaker: I think the hon. Lady is in pursuit of an essay, but, sadly, time allows only for a short answer.

Sir Michael Fallon: Let me be very clear: we do not support this treaty. We do not think it should apply to the United Kingdom, and if it is voted on we will not accept it.

Stephen Kinnock (Aberavon) (Lab): What conversations has the Minister had with British steel producers to maximise the use of British steel in the new Type 26 frigates, and what percentage of the steel that will be used to build those frigates will be British steel?

Harriett Baldwin: Again, I am glad that the hon. Gentleman welcomes the news on the Type 26 frigates. He will be aware that we publish on gov.uk the full pipeline in terms of our steel requirements. We do encourage our prime contractors to see where they can use British steel, and I am sure that in due course he will be pleased to see progress.

G20

3.35 pm

The Prime Minister (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on the G20 in Hamburg.

At this summit we showed how a global Britain can play a key role in shaping international responses to some of the biggest challenges of our time. On terrorism, trade, climate change, international development, migration, modern slavery and women's economic empowerment, we made leading contributions on issues that critically affect our national interest but which can be addressed only by working together with our international partners.

First, on terrorism, as we have seen with the horrific attacks in Manchester and London, the nature of the threat we face is evolving, and our response must evolve to meet it. The UK is leading the way. At the G7, and subsequently through a detailed action plan with President Macron, I called for industry to take responsibility more to rapidly detect and report extremist content online—and industry has now announced the launch of a global forum to do just that. At this summit we set the agenda again, calling on our G20 partners to squeeze the lifeblood out of terrorist networks by making the global financial system an entirely hostile environment for terrorists—and we secured agreements on all our proposals.

We agreed to work together to ensure there are no safe spaces for terrorist financing by increasing capacity-building and raising standards worldwide, especially in terrorist finance hotspots. We agreed to bring industry and law enforcement together to develop new tools and technologies better to identify suspicious small flows of money being used to support low cost terrorist attacks, such as those we have seen in the UK. Just as Interior Ministers are following up on the online agenda we set at the G7, so Finance Ministers will follow through on these G20 commitments to cut off the funding that fuels the terrorist threat we face.

I also called for the G20 to come together better to manage the risk posed by foreign fighters as they disperse from the battlefield in Syria and Iraq, and we agreed we would work to improve international information-sharing on the movement of individuals known to have travelled to and from Daesh territory. By working together in these ways we can defeat this terrorist threat and ensure that our way of life will always prevail.

Turning to the global economy, we are seeing encouraging signs of recovery with the IMF forecasting that global GDP will rise by 3.5%. But many, both here in the UK and across the G20, are simply not sharing in the benefits of that growth. So we need to build a global economy that works for everyone by ensuring that trade is not just free but, crucially, fair for all. That means fair for all people here in the UK, which is why we are forging a modern industrial strategy that will help to bring the benefits of trade to every part of our country. It means fair terms of trade for the poorest countries, which is why we will protect their trade preferences as we leave the EU, and in time explore options to improve their trade access; and it means strengthening the international rules that make trade fair between countries. So at this summit I argued that we must reform the international trading system, especially the World Trade

Organisation given its central role, so that it keeps pace with developments in key sectors like digital and services, and so it is better able to resolve disputes.

Some countries are not playing by the rules. They are not behaving responsibly and are creating risks to the global trading system. Nowhere is this clearer than in relation to the dumping of steel on global markets. The urgent need to act to remove excess capacity was recognised last year at the G20, but not enough has been done since. If we are to avoid unilateral action by nations seeking to protect themselves from unfairly priced steel, we need immediate collective action, so we agreed that the global forum established last year needs to be more effective and the pace of its work must quicken. In order to ensure its work gets the necessary attention and there is senior accountability, I have pressed for relevant Ministers from around the world to meet in this forum. The UK will play a leading role in championing all those reforms so that all citizens can share in the benefits of global growth.

As we leave the European Union, we will negotiate a new, comprehensive, bold and ambitious free trade agreement with the EU, but we will also seize the exciting opportunities to strike deals with old friends and new partners. At this summit, I held a number of meetings with other world leaders, all of whom made clear their strong desire to forge ambitious new bilateral trading relationships with the UK after Brexit. This included America, Japan, China and India. This morning, I welcomed Australian Prime Minister Turnbull to Downing Street, where he also reiterated his desire for a bold new trading relationship. All those discussions are a clear and powerful vote of confidence in British goods, British services, the British economy and the British people, and I look forward to building on them in the months ahead.

On climate change, the UK reaffirmed our commitment to the Paris agreement, which is vital if we are to take responsibility for the world we pass on to our children and grandchildren. There is not a choice between decarbonisation and economic growth, as the UK's own experience shows. We have reduced our emissions by around 40% over the last 16 years but grown our GDP by almost two thirds. So I, and my counterparts at the G20, are dismayed at America's withdrawal from this agreement. I spoke personally to President Trump to encourage him to rejoin the Paris agreement, and I continue to hope that that is exactly what he will do.

On international development, we reaffirmed our commitment to spend 0.7% of gross national income on development assistance, and we set out plans for a new long-term approach to reduce Africa's reliance on aid. That includes focusing on supporting African aspirations for trade and growth, creating millions of new jobs and harnessing the power of capital markets to generate trillions of new investment. We welcomed Germany's new compact with Africa, which reflects those principles.

On migration, I expressed the UK's continued support for the scale of the challenge facing Italy, and agreed with Prime Minister Gentiloni that a UK expert delegation from the Home Office and the Department for International Development will travel out to Italy to see how we can help further. That is yet further evidence that, while we are leaving the European Union, as a global Britain we will continue to work closely with all our European partners.

[*The Prime Minister*]

The G20 also agreed to use the upcoming negotiations on the UN global compacts to seek the comprehensive approach that the UK has been arguing for. That includes ensuring that refugees claim asylum in the first safe country they reach; improving the way we distinguish between refugees and economic migrants; and developing a better overall approach to managing economic migration. It also includes providing humanitarian and development assistance to refugees in their home region. At this summit, the UK committed £55 million to support the Government of Tanzania in managing their refugee and migrant populations and to support the further integration of new naturalised Burundian refugees.

Turning to modern slavery, it is hard to comprehend that in today's world innocent and vulnerable men, women and children are being enslaved, forced into hard labour, raped, beaten and passed from abuser to abuser for profit. We cannot and will not ignore this dark and barbaric trade in human beings that is simply horrifying in its inhumanity. That is why I put this issue on the G20 agenda at my first summit a year ago, and at this summit I pushed for a global and co-ordinated approach to the complex business supply chains that can feed the demand for forced labour and child labour.

Our ground-breaking UK Modern Slavery Act 2015 requires companies to examine all aspects of their businesses, including their supply chains, and to publish their results. I called on my G20 partners to follow Britain's lead. I welcomed Germany's proposed vision zero fund, to which the UK is contributing, as an important part of helping to ensure the health and safety of workers in these global supply chains.

Finally, we agreed to create better job opportunities for women, to remove the legal barriers and end the discrimination and gender-based violence that restrict opportunities both at home and abroad. As part of this, the UK is contributing to the women entrepreneurs finance initiative, launched by the World Bank, which will provide more than \$1 billion to support women in developing countries to start and grow businesses. This is not just morally right; it is economically essential. The UK will continue to play a leading role in driving forward women's economic empowerment across the world.

Of course, we did not agree on everything at the summit, in particular on climate change. But when we have such disagreements, it is all the more important that we come together in forums such as the G20 to try to resolve them. As a global Britain, we will continue to work at bridging differences between nations and forging global responses to issues that are fundamental to our prosperity and security, and to that of our allies around the world. That is what we did at the summit, and that is what the Government will continue to do. I commend this statement to the House.

3.45 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Prime Minister for the advance copy of this statement. I am really surprised that she had much to contribute at the G20, given that there was barely a mention of international policy in her party's election manifesto—or, indeed, of any policy, so much so that the Government are apparently now asking other parties for their policy

ideas. If the Prime Minister would like it, I am very happy to furnish her with a copy of our election manifesto, or better still an early election in order that the people of this country can decide.

Let us face it: the Government have run out of steam, at a pivotal moment for our country and the world. Amid the uncertainty of Brexit, conflict in the Gulf states, nuclear sabre-rattling over North Korea, refugees continuing to flee war and destruction, ongoing pandemics and cross-border terrorism, poverty, inequality and the impact of climate change are the core global challenges of our time. Just when we need strong government, we have weakness from this Government.

The US President attempts to pull the plug on the Paris climate change deal, and that gets only a belated informal mention in a brief meeting with him; there was no opportunity to sign a joint letter from European leaders at the time he made the announcement. The UK's trade deficit is growing, at a time when we are negotiating our exit from the European Union. The UK-backed Saudi war in Yemen continues to kill, displace and injure thousands, and there have been 300,000 cases of cholera—this is a man-made catastrophe. Worse, the Government continue to sell arms to Saudi Arabia, one of the most repressive and brutal regimes, which finances terrorism and is breaching humanitarian law. The Court may have ruled that the Government acted legally, but they are certainly not acting ethically.

We welcome the ceasefire agreed between the US and Russia in south-west Syria. It is good news. Did the Prime Minister play any role in those negotiations? Will she commit to working with them to expand the ceasefire to the rest of that poor, benighted country?

The US President's attempt to pull out of the Paris climate change deal is both reckless and very dangerous. The commitments made in Paris are a vital move to stop the world reaching the point of no return on climate change. Other G20 leaders have been unequivocal with the US President, but not our Prime Minister; apparently, she did not raise the issue in her bilateral meeting but later raised it informally. I do not quite know what that means, but perhaps the Prime Minister can tell us exactly what the nature of that meeting was. What a complete neglect of her duty both to our people and—equally importantly—to our planet.

We need a leader who is prepared to speak out and talk up values of international co-operation, human rights, social justice and respect for international law. The Prime Minister now needs to listen. Will she condemn attempts to undermine global co-operation on climate change? Will she take meaningful action against our country's role in global tax avoidance, which starves many developing countries of funding for sustainable growth and which is sucking investment out of our public services?

Will the Prime Minister offer European Union nationals in Britain the same rights as they have now? What proposals does she have, and what discussions has she had, on Britain's membership of Euratom? Will she halt the immoral arms sales to Saudi Arabia, as Germany has done, and back Germany's call to end the bombing in Yemen?

We have heard the Prime Minister talk about "safe spaces" for terrorist finance, so why have her Government sat on the report on foreign funding of extremism and

radicalisation in the UK? When will that report be released? What new regulations is the UK bringing forward for UK companies and banks as part of her new global accord on terrorist financing?

Keeping Britain global is one of our country's most urgent tasks, but the truth is this country needs a new approach to foreign policy and global co-operation. The Conservative Government, in hock to vested interests, simply cannot deliver. Responding to the grotesque levels of inequality within countries and between them is important to the security and sustainability of our world. In a joint report published in April, the World Bank, the IMF and the World Trade Organisation recognised what they referred to as the

"long-lasting displacements as well as large earnings losses"

of workers, and that the negative experience of globalisation has informed the public's rejection of the established political order. The Prime Minister talks of the dumping of steel on global markets, but why did her Government fail to take the action that other European nations took at the most acute time when our steel industry was suffering?

This Government are the architect of failed austerity policies, and now threaten to use Brexit to turn Britain into a low wage, deregulated tax haven on the shores of Europe—a narrow and hopeless vision of the potential of this country that would serve only an elite few, and one that would ruin industry, destroy innovation and hit people's living standards.

Finally, the US President said a US-UK trade deal will happen quickly. Can the Prime Minister give any detail or timetable or any of the terms of this agreement—on environmental protections, workers' rights, consumer rights, product safety or any of the issues that so concern so many people? The Prime Minister has lost her mandate at home, and now she is losing Britain her influence abroad.

The Prime Minister: On the issue of terrorist financing, I say to the right hon. Gentleman that it is in fact the United Kingdom that has not only been developing approaches within the UK, working with our financial sector, but is taking this internationally and, as I have said, has raised this at the G20 and has agreement from countries sitting around the G20 table that we are going to take this forward together. I think what was important was that we had a separate communiqué on counter-terrorism, which specifically identifies issues such as working with the financial sector to identify suspicious small flows of funding. This is what the UK has led on, it was the UK's proposal and it was in the communiqué of the G20.

The right hon. Gentleman talks about global tax avoidance. It is the UK that has led on the issues of global tax avoidance. Global tax avoidance is on the agenda of these international meetings only because my predecessor, the right hon. David Cameron, put it there. It is the UK that has been leading on that.

The right hon. Gentleman talks about trade deals. I am very happy to tell him that we are already working with the Americans on what a trade deal might look like. We already have a working group with the Australians, and we have a working group with India as well. We are out there. He says that what Britain needs is somebody

actually standing up and speaking about these things; what we need is somebody doing these things, and that is exactly what we are doing.

On the issue of climate change, this country has a proud record on climate change. We secured the first truly global, legally binding agreement on climate change in the Paris agreement. We are the third best country in the world for tackling climate change. We were at the leading edge in putting through our own legislation in relation to emissions, and this country will continue to lead on this issue.

The right hon. Gentleman refers to the question of the sale of arms to Saudi Arabia. I welcome the High Court judgment today—my right hon. Friend the Defence Secretary will make a statement on this later this afternoon—but I think it shows that we in this country do indeed operate one of the most robust export control regimes in the world.

The right hon. Gentleman started off by talking about the issue of the Government's agenda. This Government have an ambitious agenda to change this country. There are many issues—[*Interruption.*]

Mr Speaker: Order. Mr Ashworth, you are a cheeky and rather over-excitable whippersnapper. Calm yourself and, as I say, take some sort of soothing medicament. That is a repeated refrain of mine, but with good reason.

The Prime Minister: There are many issues on which, I would hope, we will be able to achieve consensus across this House: issues such as ensuring that our police and security agencies have the powers they need to deal with the terrorist threat we face; issues such as responding to the Matthew Taylor report, which I commissioned to ensure that, in the new gig economy, as we see the world of work changing, workers have their rights protected.

We talked about women's empowerment at the G20 summit. One issue that I have been concerned about recently is the fact that many female candidates during the general election found themselves in receipt of bullying and harassment. I would have hoped that, as has been said by the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), every leader of a political party in this House would stand up and condemn such action. It is time that the Leader of the Opposition did so.

John Redwood (Wokingham) (Con): I congratulate the Prime Minister on her many successes at a productive summit, particularly on the trade front. Will she confirm that Ministers are working not just on trade deals with those countries we do not have one with at the moment but will have when we are outside the EU, but on making sure that we transfer the EU ones to the UK on exit?

The Prime Minister: I am happy to give that confirmation to my right hon. Friend. We are working on trade in three areas. Obviously, one area is looking ahead to the trade agreements we can have with those countries we do not currently have them with as a member of the European Union. The second is ensuring that, where there are trade agreements with the EU, we are able to roll those forward as we leave the EU.

[*The Prime Minister*]

The third area is working with countries such as India and Australia to discuss what changes we can make now, before we leave the European Union, to improve our trade relationship.

Ian Blackford (Ross, Skye and Lochaber) (SNP): The G20 summit was an eye-opening event: the UK is now floundering around on the global stage, desperately trying to win friends. A disastrous and unpredictable alliance was formed with the American President on trade. Goodness knows what a trade deal with America now would mean for our public services, for food quality and for workers' rights. Indeed, talk about a UK-US trade deal was dealt a blow by the Prime Minister's own Justice Secretary, who just hours after the summit said:

"It wouldn't be enough on its own".

The Prime Minister must come to her senses. A United Kingdom outside the single market would be ruinous. Our EU friends and partners are moving on without us, this year alone finalising trade deals with Japan and Canada, while the UK readily turns in on itself. Today's Scottish Chambers of Commerce survey shows that 61% of Scottish businesses feel that the UK should remain in both the single market and the customs union. It is quite scandalous that the Prime Minister turns a blind eye to the economy in favour of her Eurosceptic colleagues' reckless rhetoric.

I welcome the progress made at the G20 summit. I especially pay tribute to the work of the German Chancellor, who hosted and delivered a challenging agenda on global issues. The communiqué is clear that we must redouble our efforts in delivering the Paris agreement, calling it "irreversible". I ask the Prime Minister to set out the next steps in delivering the Paris agreement outcomes in the UK.

The communiqué also delivers the G20 Africa Partnership to boost growth and jobs across Africa, including an initiative on rural employment that will create 1.1 million new jobs by 2022. Will the Prime Minister explain the UK's role in delivering the initiative and confirm whether that role will continue after the UK exits the EU?

The agreement to take further action to achieve gender equality is undoubtedly universally welcomed in this House. The conclusions also push the G20 to

"take immediate and effective measures to eliminate child labour by 2025, forced labour, human trafficking and all forms of modern slavery."

That is a promising step indeed.

However, the Prime Minister went to Hamburg with an opening core message: she wanted the G20 to tackle terrorism. In particular, she wanted the G20 to tackle terrorist financing—what staggering hypocrisy! The Prime Minister who is sitting on a report commissioned by her predecessor, denying us all the truth about terrorist financing in the UK, had the brass neck to call on the G20 to do more. What an absolute outrage. Will she publish the Home Office extremism analysis report on terror funding in the UK and will she set up a public inquiry into questions around the funding of extremism?

The Prime Minister *rose*—

Mr Speaker: Order. I am sure that the hon. Member for Ross, Skye and Lochaber (Ian Blackford) was not making a personal accusation against the Prime Minister. [*Interruption.*] Order. I know what I am doing in these matters.

I hope that the hon. Gentleman was not making a personal accusation of hypocrisy against the Prime Minister. I cannot believe that he would knowingly do so, because it is palpably disorderly, and he ought to be aware of that. If he is not aware of that, it is time that he was, but I think he ought to spring to his feet and clarify the position.

Ian Blackford: Indeed, I am happy to clarify. It is the hypocrisy—

Mr Speaker: On a point of explanation: my sense was that there was an element of an accusation. Withdraw.

Ian Blackford: I will withdraw the allegation against the Prime Minister. It is against the—

Mr Speaker: No. I do not want to hear anything further. The Prime Minister.

The Prime Minister: Thank you, Mr Speaker.

The hon. Gentleman raised a number of issues. He asked about trade deals. As I said in my statement, we have indeed started discussions with a number of countries—yes, the United States, but also Japan, China and India—and I was able to speak to representatives of a number of other countries at the G20 about the possibility of future trade deals.

The hon. Gentleman asked about the compact with Africa. That is not a European Union initiative. It has been led by Chancellor Merkel under the G20, and, indeed, the United Kingdom is playing its role. The principles that underpin the compact are principles that we have been using in the assistance that we have already been giving in development aid to a variety of countries in Africa. We already have a compact with Ethiopia, which the United Kingdom has put forward and which will create 100,000 jobs, including jobs for refugees living in Ethiopia. So we have already shown a commitment to these issues by what we are actually out doing.

The hon. Gentleman talked about terrorist financing. Of course we discussed ensuring that we look across the board at all aspects of the issue, which means that, as we look at the changing nature of terrorism, we look not just at large-scale financing but at the small sums that are harder to trace—harder to identify—but that could underpin attacks that take place. The communiqué clearly put a focus on that new initiative.

It is important to eradicate modern slavery, which the hon. Gentleman also talked about. That was in the G20 agenda because I put it there, because modern slavery is an issue that this Government take very seriously. We introduced the Modern Slavery Act 2015, the first piece of legislation of its kind in the world, and we are working with others to ensure that we eradicate modern slavery.

I have to say to the hon. Gentleman that his portrayal of the UK's position at the G20 was simply wrong, but then, he was not there and I was.

Several hon. Members *rose*—

Mr Speaker: Order. If I am to accommodate the extensive interest of colleagues in this matter, there will be an imperative for great brevity—to be, I hope, spectacularly exemplified now by Anna Soubry.

Anna Soubry (Broxtowe) (Con): That is very kind of you, Mr Speaker, but I did not actually have a question. [*Laughter.*]

Mr Speaker: The answer is that the right hon. Lady— [*Interruption.*] Order. I did not imagine it in my sleep. The right hon. Lady was standing. If she ceased to do so, I was not conscious of the fact; but she has leapt to her feet with alacrity, and the House is in a state of eager anticipation and bated breath.

Anna Soubry: I always take the opportunity to say something. [*Laughter.*]

I wonder whether my right hon. Friend could help us with the Modern Slavery Act. As she rightly said, we have led the world with that legislation, and many of us are hugely proud of the work that she did when she was Home Secretary. Is she finding that, throughout the world, there is now a desire for other countries to follow where she and this country have led?

The Prime Minister: I am very pleased to be able to say to my right hon. Friend that that is indeed the case. We are seeing a much greater awareness of the issue throughout the world, and a much greater willingness on the part of Governments to look at it. Governments are looking at the human trafficking aspect across borders, but as we know here in the UK, it is also important to look at what happens in-country—what happens to the citizens of one's own country—and that is exactly what we are doing.

Several hon. Members *rose*—

Mr Speaker: I am certain that the right hon. Member for Leeds Central (Hilary Benn) will be as brief as his surname.

Hilary Benn (Leeds Central) (Lab): Thank you very much, Mr Speaker.

The G20 discussed energy security. The Prime Minister will no doubt be aware of growing anxiety on both sides of the House about her proposal to withdraw the UK from the Euratom treaty, despite concern about the implications for the movement of scientists, nuclear materials and life-saving radiotherapies. Can she explain what the UK nuclear industry will gain from such a policy?

The Prime Minister: I am sure the right hon. Gentleman will be aware from his chairing of the Select Committee that membership of Euratom is inextricably linked with membership of the European Union. As was signalled in the Queen's Speech with reference to a future Bill on this issue, we want to ensure that we can maintain those relationships—that co-operation with Euratom which enables the exchange of scientists and material. Countries throughout the world that are not members of the EU

have that relationship with Euratom, but we need to put that Bill in place, and I look forward to the right hon. Gentleman's support for it.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Does my right hon. Friend agree that free trade will be one of the great Brexit dividends, and that it will provide cheaper food, clothing and footwear, to the greatest benefit of the poorest in our society?

The Prime Minister: I agree with my hon. Friend that it is free trade that enables us to grow economies, increase prosperity and provide jobs, and there will be benefits from the trade agreements that we want to negotiate throughout the world. But we also need as a country to defend the concept of free trade because, sadly, it is under too much attack from protectionists around the world.

Jo Swinson (East Dunbartonshire) (LD): When journalists and activists such as Anna Politkovskaya and Natalia Estemirova have been murdered in Putin's Russia, does the Prime Minister share my anger at the chilling sight of Presidents Trump and Putin joking about the inconvenience of a free press, and will she commit to raising the importance of the independence of the media to both leaders when she next meets them?

The Prime Minister: We defend a free press. We think a free press is an essential underpinning of our democracy here, and we want to defend a free press around the world. I can assure the hon. Lady that we do regularly raise this issue with the Russian President and at all levels in Russian authorities.

Sir Hugo Swire (East Devon) (Con): I also pay tribute to my right hon. Friend for all the extraordinary work she has done on the issue of human trafficking and slavery, and commend her for raising that matter at the G20. However, with the world on the move, there are, unfortunately, opportunities for more, rather than less, of that. What can we do between the G20s to ensure that other countries take the issue as seriously as the UK does? We have set the bar on this and we need to raise others to it.

The Prime Minister: That is absolutely right, and we are taking action across a number of areas. As I said, the specific area we focused on at the G20 was the business supply chains, but one of the key ways of ensuring we can act against human trafficking and modern slavery is through the co-operation of the law enforcement agencies in the UK with others around the world. That is exactly what we are encouraging and what is happening—and, I am pleased to say, with some success.

Caroline Flint (Don Valley) (Lab): A year ago, the then Financial Secretary, the right hon. Member for South West Hertfordshire (Mr Gauke), told the House that the Government supported a multilateral deal on public country-by-country reporting. He said that

“if we have not made progress by this time next year on reaching a multilateral agreement, we will need to look carefully at the issue once again.”—[*Official Report*, 28 June 2016; Vol. 612, c. 160.]

A year on, may I ask the Prime Minister to confirm what progress has been made, and what discussions she

[*Caroline Flint*]

has had with G20 members to ensure that we can tackle corporate tax avoidance through open, public country-by-country reporting?

The Prime Minister: We regularly raise that issue, and we are disappointed at the lack of progress on it. We will continue to press on it, but of course if we are going to get that multilateral agreement, others have to agree to the concept as well. We will continue to press on the issue, however. It is on the agenda because the UK has been putting it there, and we will continue to do so.

Sir Desmond Swayne (New Forest West) (Con): On the new love-fest with Members on the Opposition Benches, given the record of the Leader of the Opposition on the Counter-Terrorism and Security Act 2015, does the Prime Minister possess a very long spoon?

The Prime Minister: I can say to my right hon. Friend that as Home Secretary I welcomed the co-operation which I had from the Labour Benches—not from the right hon. Gentleman who is currently Leader of the Opposition, but from others on his Benches, who have seen the need to ensure that our agencies have appropriate powers to deal with the terrorist threat that we face—and I look forward to Labour MPs, and indeed others on the Opposition Benches in this House, supporting those counter-terrorism measures when we bring them forward.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The G20 communiqué includes important references to investment in global education, including the Global Partnership for Education and Education Cannot Wait. The UK has a proud record of leading on global health. Will the Prime Minister join Argentina during its forthcoming G20 presidency to ensure that investment in global education is given the priority it deserves?

The Prime Minister: Indeed, this is not just about looking ahead to the agenda for the next G20 meeting. It is also about what the United Kingdom has been doing practically, through our international development budget. For example, a significant number of girls, in particular, around the world are now being educated as a result of our input. We think that the global education agenda is very important.

Colin Clark (Gordon) (Con): As the Prime Minister said in her statement, we are leaving the European Union but we are not leaving Europe. May I welcome her announcement that we will continue to work with our European friends and allies to develop a better overall approach to managing economic migration?

The Prime Minister: My hon. Friend is absolutely right. Again, this is an issue that the UK has been leading on, and other countries are increasingly recognising the importance of what we have been saying about differentiating between refugees and economic migrants. We will continue to work on this not just in the G20 but in the United Nations work that started last year and will be progressing towards the end of this year on the compact for migration and refugees across the world.

Mary Creagh (Wakefield) (Lab): We know that US intelligence services leaked sensitive UK intelligence in the hours following the attack on the Ariana Grande concert in Manchester. This weekend, according to a tweet from President Trump, he and President Putin were discussing forming

“an impenetrable Cyber Security unit so that election hacking... will be guarded and safe”.

Can the Prime Minister guarantee that UK intelligence assets on cyber-warfare will not be compromised, or shared in any way as long as there is a risk of this sort of bizarre and dangerous alliance with the Russians?

The Prime Minister: We take the issue of intelligence sharing very seriously. It is important that we are able to share intelligence with our allies in the United States and with other allies around the world, but what matters is that we are able to do that on the basis of confidence that that intelligence will be treated appropriately. I can assure the hon. Lady that we take the whole issue of cyber-security extremely seriously. That is why we have set up the new National Cyber Security Centre. We recognise and understand the threat that Russia poses in that area.

Craig Mackinlay (South Thanet) (Con): We heard positive words from the President of the United States at the G20 summit—and more this morning from the Prime Minister of Australia—on the opportunities for rapid and comprehensive trade deals between their countries and the UK. Does my right hon. Friend agree that new trade deals with old friends and new, which will be realisable only outside the customs union, will add to the prosperity of a new, global Britain?

The Prime Minister: My hon. Friend is absolutely right. We have been very clear that we want to undertake, sign up to and activate new trade deals with old friends and new allies alike. That, of course, means not being part of the customs union, which would prevent us from doing so. It is important that we are able to negotiate a trade agreement with the EU and trade agreements around the rest of the world.

Keith Vaz (Leicester East) (Lab): May I press the Prime Minister on the issue of migration and displacement, which affects 65 million people worldwide? She will know that, since 1 January, 82,800 people have risked their lives trying to cross the Mediterranean, and that 2,000 have died. The G20 leaders run 84% of the economy of the world. Apart from the £55 million that is going to Tanzania, what other resources are being given to deal with this catastrophic problem?

The Prime Minister: The resources being given to this issue are significant and varied. From the United Kingdom's point of view, we have been doing work through our development aid budget, particularly in a number of countries in Africa. I referred earlier to the compact that we have with Ethiopia, which is providing jobs in that country for refugees and others. We see it as important to ensure that there are economic opportunities in the countries of origin where there is migration, so that people do not feel the need to make that dangerous journey. As I announced at the last EU Council meeting, we are giving extra funding—I think £75 million—to work with Libya and Italy to ensure that there are humane conditions so that people can be returned to countries in Africa. We have also increased the ability of

the Libyan coastguard to ensure that it can properly intercept those boats that could pose a risk to people's lives if they were to try to make it across the Mediterranean. This is multi-faceted, but the United Kingdom is involved in every aspect of it.

Ms Nusrat Ghani (Wealden) (Con): The Leader of the Opposition has spent his entire life opposing trade deals with countries such as Mexico and India. The Prime Minister's success at the G20 meeting means that we can look both east and west when securing trade deals. Does my right hon. Friend agree that we should recognise and be proud of the global confidence in British services, British goods and the British economy?

The Prime Minister: My hon. Friend is absolutely right. The fact that several leaders—not only those whom I have mentioned, but others as well—have expressed their interest in trade deals with the United Kingdom is a vote of confidence in the British people.

Kirsty Blackman (Aberdeen North) (SNP): I would be really interested to know when the Prime Minister expects to sign trade deals with Australia and India, how much she expects those deals to be worth, and how much extra immigration she intends to accept as part of those deals.

The Prime Minister: The hon. Lady may know that there is a limit to what we can put in place while we are still a member of the European Union, but that does not mean that we cannot discuss what a future trade agreement might be or how we can improve trade relations now. We can do just that in certain areas that are not covered by EU competences, and those are the discussions that we are having.

Crispin Blunt (Reigate) (Con): Behind some of the rhetoric coming from the other side of the House, there actually seems to be a consensus that a UK-US free trade deal would be a good and necessary thing when we leave the European Union. Does the Prime Minister welcome, like me, the clear support of the American Administration, as expressed at the G20 meeting? The other important decision makers in this are those in the American Congress. Following her successful visit to Philadelphia with the Republican caucus, will she allow the excellent congressional relations office in our Washington embassy to help Members of Parliament make the case for a trade deal to our congressional colleagues?

The Prime Minister: My hon. Friend is absolutely right about the role that Congress will play, and he raises an interesting idea. I did have discussions with members of Congress when I was in Philadelphia, and my right hon. Friend the Secretary of State for International Trade has also been having discussions with members of Congress recently. We will consider my hon. Friend's proposal, but he is right that we will be working with Congress and the American Administration on this.

Mr Ben Bradshaw (Exeter) (Lab): The Prime Minister says that she wants help in building consensus for sensible policies. There are majorities in this House to stay in Euratom and in the European Medicines Agency, so why does she not do that?

The Prime Minister: As I referred to in answer to the right hon. Member for Leeds Central (Hilary Benn), membership of Euratom is inextricably linked with membership of the European Union. As we leave the European Union, we will be leaving Euratom, but we will be looking to put in place a similar relationship with Euratom, just as other countries around the world that are not members of the EU have access to the movement of scientists and materials and to Euratom's standards. We recognise the importance of this matter, which is why a Bill on this subject was in the Queen's Speech.

Sir Edward Leigh (Gainsborough) (Con): As my right hon. Friend is now open to ideas from a man who tried to remove her from office, I wonder whether she will be prepared to take an idea from a friend who stood on a platform of keeping her in office and who wants her to stay in office—[*Interruption.*]

Mr Speaker: Order. The hon. Member for Rhondda (Chris Bryant) should calm himself. I want to hear what the hon. Member for Gainsborough (Sir Edward Leigh) has to say.

Sir Edward Leigh: How about this idea: we have warm words about helping Italy on migration, but as long as it is forced to take all the refugees, more and more will obviously come. Will my right hon. Friend work with our allies to try to establish safe havens in Libya, so that people can be returned safely? That is a Conservative idea, not a useless socialist one.

The Prime Minister: Not only is the concept of being able to return people to Libya a good one, but it is one that we are already working on. It is one of the issues that we will be discussing with the Italians and others in relation to the extra humanitarian aid that we are making available. We have also offered the Italians support and help with returns to Nigeria, because a significant number of those who reach Italy come from Nigeria, where the United Kingdom is already running arrangements to provide the sort of area in which people are able to stay.

Alison McGovern (Wirral South) (Lab): On Syria and the loss of civilian life, specifically as it relates to US operations against Daesh in Raqqa, it appears that the rules of engagement have changed. Has the Prime Minister, or any of her Ministers, raised that with the United States of America?

The Prime Minister: As the hon. Lady may recognise, we have regular discussions with the Americans and others within the coalition about the action that is taking place. I think that the military action to drive Daesh out of Mosul has been very important and that the military action in Raqqa will be important, but of course, as a United Kingdom, we always want to ensure that such actions deal with those they are supposed to deal with—the terrorists—and do not affect civilians.

Alberto Costa (South Leicestershire) (Con): I add my welcome to the Prime Minister's statement, particularly in respect of the additional assistance being given to Italy to tackle migration. My right hon. Friend may not be aware that I am chairman of the all-party parliamentary

[*Alberto Costa*]

group on Greece. As she knows, Greece also has a huge burden to bear with the movement of migrants. Will she agree to consider whether the delegation being sent to Italy might also be sent, in due course, to Greece?

The Prime Minister: As it happens, we are mirroring in Italy something that we have already offered to Greece and that has been taken up by Greece. Of course, there is now a different situation in Greece because of the European Union's deal with Turkey. We have seen a significant reduction in the number of migrants trying to reach Greece, but people who came through those routes are now trying to go through Libya into Italy. We will certainly ensure that we give as much support as we can to Italy in this matter.

Sir Vince Cable (Twickenham) (LD): In the Prime Minister's enthusiasm for a bilateral trade agreement with the United States, will she accept American insistence that we dilute food standards and agree to the establishment of investment protection mechanisms that override British courts?

The Prime Minister: The right hon. Gentleman is asking about arrangements in negotiations that have yet to take place. We have started discussions with the Americans, and we will of course be negotiating trade arrangements with them.

Suella Fernandes (Fareham) (Con): Many developing countries are keen to trade with G20 countries free from punitive tariffs and on a level playing field. Does my right hon. Friend agree that Britain can be a real leader in free trade and fair trade, once we leave the European Union, by setting our own tariffs on trade and striking our own trade deals?

The Prime Minister: This is very important. We will have the ability, once we are outside the European Union, to strike those trade deals with countries around the world. Underpinning my hon. Friend's question is the need for the United Kingdom to stand up and promote free and fair trade around the world. As I said in response to my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), there is a temptation in some areas to move towards protectionism, and I think we should stand against that. We should show very clearly that it is free trade that brings prosperity and jobs, and that it not only helps economies such as ours but helps some of the world's poorest countries to develop.

Rushanara Ali (Bethnal Green and Bow) (Lab): Given the special relationship that the Prime Minister enjoys with President Trump, can she explain why she failed to influence him and prevent him from pulling out of the Paris climate agreement? Will she condemn that decision and refrain from rolling out the red carpet for him in the form of a state visit?

The Prime Minister: We—the United Kingdom and I—made our view on the Paris agreement very clear to the United States. The United States takes its own decisions, and this was a commitment that President Trump made during his election campaign. I have said to him on more than one occasion that I hope we can

encourage the United States to come back into the Paris agreement, which I think is important. We will continue to work to try to get them back in.

David T. C. Davies (Monmouth) (Con): Given that the vast majority of Members of Parliament, including the Leader of the Opposition, stood on an election platform explicitly backing Brexit, is it not time that people stopped using these negotiations for either political or even personal advantage and united behind the Prime Minister, allowing her and her Ministers to get on with delivering a deal that works for the whole of Britain?

The Prime Minister: My hon. Friend is very right: 80% of the votes at the general election were for parties that said they wanted to deliver on the Brexit decision taken by the British people in the referendum last year. That is what the Government are going to get on and do, and I hope others across the House will support us in doing it.

Graham Jones (Hyndburn) (Lab): The Prime Minister said in her statement that, "women and children are being enslaved, forced into hard labour, raped, beaten and passed from abuser to abuser for profit." Does she agree that that is no more true than when it comes to the depravity of child prostitution in India? Did she raise that issue with Prime Minister Modi?

The Prime Minister: I have raised this issue—the question of modern slavery—previously with Prime Minister Modi, as the United Kingdom wants people around the world to address it. We are very clear that we want to see this issue being dealt with. That is one of the reasons why we have put into legislation the requirement for companies here in the UK, which will be manufacturing and will be sourcing products from around the world, to look at their supply chains and report on what they find in them and whether or not modern slavery is taking place within them.

Charlie Elphicke (Dover) (Con): Does the Prime Minister agree that although we are leaving the European Union, there are still many matters on which we need to co-operate? I am thinking particularly of across the English channel in dealing with the migrant problems, of how we are going to manage international trade, of how we are going to work with Europe to tackle the evil of people trafficking and of co-operation to stop these multinationals from gaming our tax systems across the European continent.

The Prime Minister: I absolutely agree with my hon. Friend that there is much on which we will continue to want to co-operate with countries within the European Union. Of course, the relationship we have with France and Belgium in particular in relation to our ports and the traffic of people across the channel is very important to us. We have been working increasingly with the French authorities and others, including the Greek authorities, in dealing with this issue of human trafficking and successfully ensuring that criminal gangs involved in it are not just identified, but investigated and prosecuted.

Bambos Charalambous (Enfield, Southgate) (Lab): Will the Prime Minister confirm whether she spoke to President Erdoğan of Turkey at the G20 summit? If so,

did she ask him about the reasons why the Cyprus talks in Switzerland broke down again without resolution last week?

The Prime Minister: I did speak to President Erdoğan about the Cyprus talks; I also spoke to the Secretary-General of the United Nations, who of course had been present at them, about the reason why they broke down. It is a matter of not only great disappointment, but great sadness that they did not come to fruition; they were the closest we have come to finding a solution for the unification of Cyprus. As I say, it is a matter of sadness that that was not able to be achieved. The United Nations worked to achieve it and the United Kingdom played a strong role in trying to achieve it, but sadly it did not happen.

Henry Smith (Crawley) (Con): A quarter of G20 members are also members of the Commonwealth. I welcome my right hon. Friend's talking about preliminary discussions with Australia and India, but will she also let the House know what discussions have been had with other Commonwealth countries, such as New Zealand?

The Prime Minister: I am happy to let my hon. Friend know that we have indeed also been having discussions with New Zealand. This is an issue I think we can progress with a number of other members of the Commonwealth—not just New Zealand, but Canada.

Catherine West (Hornsey and Wood Green) (Lab): What concrete steps will the Government take next to get climate change back in the discussion with the US Administration?

The Prime Minister: We raise this issue regularly with the US Administration, but, crucially, there was a very clear message from everybody sitting around the table at the G20 to the US Administration about the importance we all placed on the climate change agreement—on the Paris agreement—and on the US being a member of it.

Mr Philip Hollobone (Kettering) (Con): Kettering is located at the economic beating heart of the nation, so a strong economy and new international trade deals post-Brexit are very important for all of us who live there. The Prime Minister has told the House that over the weekend she met the leaders of America, China, Japan and India to talk about new trade deals. May I say to her that that sounds to me like a very good start and a very good weekend's work?

The Prime Minister: I thank my hon. Friend for that. May I also recognise the important role that Kettering plays in the economy of the country? When we see these new trade deals come into place, I am sure that his constituents and others across the country will benefit from them.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Can the Prime Minister guarantee that Brexit will not weaken the fight against terrorism? Will we retain full membership of Europol and Eurojust?

The Prime Minister: As the hon. Lady will know, I have stood at this Dispatch Box in the past and defended our membership of Europol and a number of other

arrangements we have in the security field, such as SIS II—the Schengen information system—and various others. As we are in formal negotiations with the EU, such matters will of course be matters for those negotiations, but I am clear that we want to continue to retain our co-operation on matters relating to crime and counter-terrorism. Some of the arrangements with other European countries are outside the EU. We want to maintain that co-operation because it is important not only for us but for countries in the EU.

Robert Jenrick (Newark) (Con): What conversations did the Prime Minister have with her fellow leaders about the growing crisis on the Korean peninsula, and what does she see as the UK's role in that crisis? Might part of it be further restrictions on British banks, two of which recently had warrants issued against them for inadvertently trading with North Korean businesses?

The Prime Minister: I had several discussions with other leaders about what is happening on the Korean peninsula and the Democratic People's Republic of Korea's activities—particularly with President Xi, because China's role is crucial. It is the country with the greatest leverage in relation to North Korea, and I have urged President Xi—as have others, I believe—to exercise that leverage. We want to see the denuclearisation of North Korea.

Daniel Zeichner (Cambridge) (Lab): The Prime Minister talks about boosting trade, but what discussions has she had with other leaders about our open skies agreement with the USA, which depends on our relationship with the European Union? There is of course considerable concern for the aviation industry and airports such as Stansted, which plan ahead by 12 to 18 months. Time is very short.

The Prime Minister: The open skies agreement was referenced in the bilateral I had with President Trump.

James Heapey (Wells) (Con): I congratulate the Prime Minister on her comments over the weekend and today condemning President Trump's decision to abandon the Paris agreement. I encourage her to keep the UK in the global vanguard on climate change by publishing a clean-growth plan as quickly as possible, so that those who are more reluctant on the matter can see the enormous value of a green economy.

The Prime Minister: The UK's record on this issue is good. We can already point to the actions we have taken here in the UK, but we will of course be looking to do more in future—for example, on air quality. We can already show the action we have taken and the benefit it has had. As I said in my statement, there is no contradiction between decarbonisation and a growing economy.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Is a bad trade deal with the United States better than no deal?

The Prime Minister: We will be working to negotiate a good trade deal with the United States.

Kelvin Hopkins (Luton North) (Lab): The Prime Minister will recall that the recently deceased Transatlantic Trade and Investment Partnership would have included grotesque

[Kelvin Hopkins]

provisions allowing private global corporations to prosecute legitimate democratic Governments. Will she reject any future trade deal that includes such provisions?

The Prime Minister: I recognise the concern raised when the TTIP arrangements were being discussed and negotiated. I assure the hon. Gentleman that as we look to negotiate a trade deal with the United States, we will want to negotiate a deal that is in the United Kingdom's best interests.

John Woodcock (Barrow and Furness) (Lab/Co-op): For all the progress against Daesh, hundreds of thousands of civilians in Syria remain under siege from the evil al-Assad Government. Will the Prime Minister look again at securing multilateral agreement to get aid into those besieged towns and cities?

The Prime Minister: The hon. Gentleman has raised an important issue; we regularly discuss with our coalition partners and others the possibility of getting that aid in. As he will know, there have been some attempts to ensure that aid can get through to those besieged civilians, but they have not always—[*Interruption.*] He says, “Try again”; I have to say that we do regularly raise this issue. The best answer is to find a solution to the situation in Syria that leads to a stable Syria in which those civilians are no longer being besieged.

Chris Bryant (Rhondda) (Lab): In a summit of extraordinarily awkward moments that would rival an episode of “The Addams Family”, perhaps the most bizarre moment was when President Trump's seat was taken by his daughter. The Prime Minister did not seem to bat an eyelid, presumably because she expects somebody else to take her seat soon. Who does she hope that will be—the Home Secretary, the Foreign Secretary or the Chancellor?

The Prime Minister: On Ivanka Trump taking President Trump's seat, it followed a morning session in which we had launched the women entrepreneurs financing initiative, which was developed by Ivanka Trump and the World Bank, so the move was entirely reasonable.

Stephen Kinnock (Aberavon) (Lab): It is welcome that the Prime Minister raised the issue of the dumping of Chinese steel with President Xi, but, quite frankly, words are cheap; it is action that matters. Will she please tell the House what specific actions will be taken to ensure that China starts playing by the rules?

The Prime Minister: The hon. Gentleman will be aware of the action that we have taken here in the United Kingdom to support our steel industry. The last G20 took the decision that the Global Forum would be the basis on which work will be done internationally to look at this issue of excess capacity in steel. That has not worked as well as people had hoped when it was set up under the Chinese presidency, but it is exactly that that we want to see, along with a ministerial meeting to look at excess steel capacity later this year.

Diana Johnson (Kingston upon Hull North) (Lab): Will the Prime Minister confirm that the NHS will be excluded from any trade deal with the United States?

The Prime Minister: I am conscious that that was an issue that was raised in relation to the TTIP deal. A concern that people had was that, somehow, that was about changing the NHS. We will not change the national health service. The TTIP deal was never going to impact on the NHS in the way that the Opposition suggested.

Kevin Brennan (Cardiff West) (Lab): Not all G20 countries have made the same sort of progress that we have in this country in relation to racist and discriminatory language. Was that an issue that she discussed with the G20 leaders, and does she agree that, where it happens, organisations should take decisive and swift action?

The Prime Minister: I must say to the hon. Gentleman that it behoves us all to ensure that we use appropriate language at all times.

David Linden (Glasgow East) (SNP): Dieter Kempf, president of the Federation of German Industries, stated that, following Brexit,

“it will be extraordinarily difficult to avert negative effects on British businesses in particular.”

Has the Prime Minister got any closer to carrying out an economic assessment of the UK leaving the single market?

The Prime Minister: What is very clear is that we want to negotiate a comprehensive free trade agreement with the European Union, which gives us access to the single market. Anybody who is looking at the economic impacts that take place as a result of leaving the single market should recognise that the most important single market to the nations within the United Kingdom is the United Kingdom.

Steve McCabe (Birmingham, Selly Oak) (Lab): Given the Prime Minister's personal commitment to ending modern slavery and her desire for other countries to follow the UK's lead, why does she think it takes her Home Office more than two years to investigate the case of a woman in my constituency who is a victim of rape, slavery and trafficking? What kind of example is she setting for the G20 there?

The Prime Minister: I am not aware of the individual case that the hon. Gentleman raises. He talks about an investigation of the case of rape. That is a matter not for the Home Office but for the police.

Rachel Reeves (Leeds West) (Lab): Following the questions by my right hon. Friends the Members for Leeds Central (Hilary Benn) and for Exeter (Mr Bradshaw), the Prime Minister said that our membership of Euratom is inextricably linked with our membership of the European Union, and yet we have been members of Euratom for longer than we have been members of the European Union, so how can that be the case? Will the Government rethink our arrangements in terms of Euratom, which is so important both for our civil nuclear sector and for access to the best radiotherapy treatments?

The Prime Minister: The fact is that the treaty makes it clear that there is a link between membership of the European Union and membership of Euratom. Across this House, we are all agreed that we want to ensure that we can still maintain the arrangements and relationships

that currently exist under Euratom, but they will be on a different basis in future. There is no argument that we want to maintain those relationships.

Darren Jones (Bristol North West) (Lab): I thank the Prime Minister for her statement and note her efforts to reform the World Trade Organisation rules in order that they keep up with the services and digital sectors, which are crucial to the British economy. Does she agree that any reform of the WTO rules will take longer than the time we have left before the UK crashes out of EU without a trade deal in 2019?

The Prime Minister: One point of my comments at the G20 was that we need to speed up how the WTO considers these issues. Looking at the trade rules around the digital economy is not being started from scratch; the WTO has been doing it for some time. We just need to ensure that we get on with it and get those rules set.

Christian Matheson (City of Chester) (Lab): I welcome the Prime Minister's indication that she wants to coax the United States back into the Paris agreement. Will she consider strengthening her negotiating hand by suggesting to President Trump that there will be no negotiations on a free trade deal until they come back into the agreement, or is securing a free trade deal with the United States more important than securing the future of the planet?

The Prime Minister: We want to ensure that we get a good trade deal with the United States, because that would be to the benefit of people here, providing prosperity, economic growth and jobs across the UK. We will continue to press on the climate change agreement as well, and, as I say, I am encouraging President Trump, as are others, to find a way back into the Paris agreement. I think that that is important for us all, but meanwhile we will continue to do our bit through the application of the Paris agreement.

Mr Speaker: Order. I think the hon. Member for Ross, Skye and Lochaber (Ian Blackford) wanted to make a point of order—

Ian Blackford (Ross, Skye and Lochaber) (SNP) *indicated dissent.*

Mr Speaker: No? Okay. I was going to say that if he wanted to do so, it would normally happen after the statements but, as it appertained to the previous statement, he could raise it now if he wished. He does not, so that is fine. Thank you.

Export Licensing: High Court Judgment

4.41 pm

The Secretary of State for International Trade and President of the Board of Trade (Dr Liam Fox): With permission, Mr Speaker, I would like to make a statement on the High Court judgment on export licensing. We welcome the divisional court's judgment today dismissing the claim by the Campaign Against Arms Trade for a judicial review of decisions regarding exports to Saudi Arabia for possible use in the conflict in Yemen. We are grateful to the court for the careful and meticulous way in which the evidence from both sides has been considered in reaching this judgment.

The judgment recognises the rigorous and robust processes that we have in place across Government to ensure that UK defence exports are licensed consistently with the Government's consolidated EU and national arms export licensing criteria. These criteria give effect to an EU common position setting out rules for assessing military exports. They were introduced in October 2000 and last updated in March 2014. The consolidated criteria, used to assess each export licence application, cover: our international obligations, including sanctions; human rights and international humanitarian law; armed conflicts; regional peace and security; national security and the security of our allies; terrorism; risk of diversion; and the technical and economic capacity of the recipient country.

The claim challenged decisions not to suspend extant licences for the sale or transfer of arms or military equipment and to continue to grant new licences for such transfers. The judgment states that these decisions were lawful and rational. It describes the Government's decision making about export licensing as "highly sophisticated, structured and multi-faceted".

We note the application to appeal and will continue to defend the decisions challenged. We remain confident that the UK operates one of the most robust export control regimes in the world.

The central issue in relation to defence exports to Saudi Arabia in the context of the conflict in Yemen is Criterion 2c of the consolidated EU and national arms export licensing criteria—that is, that the Government will not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international humanitarian law. We have sufficient information to carry out proper risk-based assessments against Criterion 2c. The situation has been kept under close review and to date we have not refused licences on Criterion 2c grounds because we have assessed—based on all the information available to us, including information not publicly available—that the clear risk threshold has not been reached. The judgment says that, on the evidence, we were rationally entitled to conclude that this threshold has indeed not been reached.

The exercise undertaken to inform these assessments has, in the words of the judgment,

"all the hallmarks of a rigorous and robust, multi-layered process of analysis carried out by numerous expert Government and military personnel, upon which the Secretary of State could properly rely".

In addition to a considered analysis by the Ministry of Defence of allegations of breaches of international humanitarian law, there has been intensive engagement

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with the Saudis at the highest level, stressing the need to comply with international humanitarian law, to investigate all incidents of concern and ensure that lessons are learned. Through this engagement, and our long-standing relationship with the Saudis, the UK Government have developed a higher degree of insight into Saudi military processes and procedures adopted in Yemen than might be expected for a country that is not party to the conflict. We have also considered public commitments to comply with international humanitarian law made by the Saudis, and monitored and analysed developments on the ground.

Each of these strands takes into account a wide range of sources and analyses, including those of a sensitive nature to which other parties, such as non-governmental organisations and the UN, do not have access. Taken together, these strands of information and analysis, which are reviewed regularly by the Foreign and Commonwealth Office in comprehensive reports to the Foreign Secretary, have enabled Ministers to take informed decisions about the overall Criterion 2c position and individual export licence applications. They provide a sound basis on which the Foreign Secretary is able to advise me, as the Secretary of State for International Trade, on these points.

That the assessment has been that the issue of military exports to Saudi Arabia is “finely balanced” is seen by the judgment as instructive and points to the

“anxious scrutiny... given to the matter and the essential rationality and rigour of the process in which the Secretary of State was engaged.”

As the judgment states, on the basis of this information and analysis, we were rationally entitled to conclude that Saudi Arabia has put processes in place to secure respect for compliance with international humanitarian law, and that Saudi Arabia has been, and remains, genuinely committed to compliance with international humanitarian law. The Saudis have engaged and continue to engage constructively with the UK on these matters.

We do not receive this court judgment as a signal to do anything other than to continue to take our export control responsibilities very seriously. Our policy is to assess licence applications on a case-by-case basis against the rigorous tests set out in the consolidated EU and national arms export licensing criteria. We will not grant a licence if to do so would be inconsistent with these criteria. We will continue to keep the situation in Yemen under close scrutiny and base our export licensing assessments on the most up-to-date information and analysis available. If we assess that the clear risk threshold under Criterion 2c of the consolidated EU and national arms export licensing criteria has been reached, we will not hesitate to refuse export licences and suspend licences already in circulation. I commend this statement to the House.

4.47 pm

Barry Gardiner (Brent North) (Lab): I thank the Secretary of State for his statement and early sight of it. I know that he and the whole House will agree that the war in Yemen is a humanitarian tragedy. Thousands of people, including women and children, have been its victims both directly and indirectly through the loss of life-saving infrastructures such as hospitals and water supplies. All of us should, and do, mourn that keenly.

The question for the High Court was whether the Secretary of State was entitled to conclude that there was no risk that British weapons might be used in the commission of serious violations of international humanitarian law. Since the bombing of Yemen began in March 2015, the UK has licensed more than £3.3 billion of arms to the Saudi regime, including: £2.2 billion of ML10 licences, dealing with aircraft, helicopters and drones; £1.1 billion of ML4 licences, dealing with grenades, bombs, missiles and countermeasures; and £430,000-worth of ML6 licences, dealing with armoured vehicles and tanks.

The Secretary of State knows that indiscriminate use of air strikes, the destruction of a country’s means of food production and the targeting of civilians are all classed as war crimes under international humanitarian law. Does he recall that a United Nations panel of experts reported in January 2016 that Saudi Arabian forces had engaged in “widespread and systematic” targeting of civilians? Does he recall that, on 21 July last year, the Government corrected their previous declarations that they had no evidence of any violations, and that the Foreign Secretary stated in September last year that the Government’s new position was that they had been unable to make an assessment and that the Saudi authorities were best placed to make such an assessment? Does he accept that the Foreign Secretary was wrong to franchise out our obligation in this way, and that we, not the Saudis, have the duty to assess whether there is a risk that British arms sold to the Saudis might be used in contravention of international humanitarian law?

Does the Secretary of State recall that evidence revealed in the High Court in February this year showed that the civil servant at the head of export control had provided advice to a previous Secretary of State recommending that the UK suspend arms sales to Saudi Arabia

“given the gaps in knowledge about Saudi operations”?

Can he explain to the House why that recommendation was overruled by the then Secretary of State, the right hon. Member for Bromsgrove (Sajid Javid), who sits alongside him?

Does the Secretary of State agree that the Committees on Arms Export Controls should be set up in this Parliament without delay so that export licensing for arms sales can come under the necessary parliamentary scrutiny?

Does the Secretary of State agree that today’s judgment did not seek to rule on whether the Government were correct in concluding that there was no clear risk of a serious breach of international humanitarian law, but rather on whether, in so concluding, they had reached a decision that could be considered rational, given the procedures they had adopted and the evidence they had considered? Does he further accept that if those procedures themselves were defective, or the evidence the Government considered was insufficient, misleading or even simply not comprehensive, it follows that the decision, however rational within its own parameters, could be deeply flawed, and this country might be at grave risk of violating our obligations in international humanitarian law?

The Government relied on material they brought forward only in closed hearing. That evidence could not be seen or heard by the claimant—the Campaign Against

Arms Trade—or its lawyers, Leigh Day. As such, the court ruling that the Government's decision was a rational one, given the procedures and evidence they considered, was based on secret evidence, which it was impossible to challenge. Does the Secretary of State accept that the court judgment makes specific reference to the substantial body of evidence presented in open session, which in fact suggests that a clear risk does exist that British arms might be used in violation of international humanitarian law? Will he agree to make the evidence that was available only in closed session available to Members of this House on Privy Council terms or, indeed, to the Intelligence and Security Committee?

Does the Secretary of State agree that we would all wish this country not only to adopt the highest ethical standards and controls but to be seen to adopt them, and that it would be helpful if he could now give his assurance to the House that it is his considered view that not only were the Government rational in adopting the view they did, given the procedures they followed and the evidence they considered, but that there is, to his certain knowledge, no risk whatever that UK arms might be used by Saudi Arabia in the Yemen war in any way that might constitute a violation of our obligations in international humanitarian law?

Dr Fox: May I say, first, that I agree with the hon. Gentleman that Yemen is indeed a humanitarian disaster that is begging for a political solution, to enable us to carry out our diplomatic efforts and our humanitarian efforts? I doubt whether anyone in the House would disagree with that.

The hon. Gentleman was not quite accurate in terms of what the court case was about. There were three grounds of challenge in court: first, failure to ask the correct questions and to make sufficient inquiries; secondly, failure to apply the suspension mechanism; and, thirdly, irrationally concluding that there was no clear risk under Criterion 2c. All these grounds have been dismissed by the court.

The hon. Gentleman makes the point about targeting. As a former Defence Secretary, I say to him that the MOD has gone to the nth degree to improve the ability of the Saudis to target more effectively, including through training by UK personnel. That is one of the biggest advances we have helped the Saudis to make in this.

The hon. Gentleman says that the UN and the NGOs had set out their own reservations about what had happened, but as the judgment made clear, they did not have sight of all the information that the judges were able to look at. He said there were gaps in the Government's knowledge, but the court again made it clear that the Government had not only the ability to assess what the gaps in that knowledge might have been, but the appropriate means of redressing that. I remind him that the criteria we operate are part of the EU consolidated criteria—they are not UK Government unilateral criteria.

I take exception to the hon. Gentleman's final point. I simply do not accept that if we have closed sessions it somehow makes the judgment less valid. I do not accept that we cannot have closed sessions that protect our national security or the personnel involved in our national security. Our sources need to be protected. I listened to the argument he makes but I simply cannot bring myself to accept it.

Dr Julian Lewis (New Forest East) (Con): At the end of his statement my right hon. Friend referred to steps that could be taken if it were found that Saudi Arabia were misusing the arms that we supply. Will he expand on that a bit? The issue has come up before in the Committees on Arms Export Controls. If we supplied a consignment of sophisticated weapons for use in one way and it was used differently, or abused in defiance of the laws of war, what could we do to rectify the situation?

Dr Fox: As my right hon. Friend knows from his experience, there are a number of criteria for refusals and revocations; if he has not seen the list, I will ensure that he is sent it. If we believed that we were not able to convince ourselves that we were operating entirely within the consolidated criteria, we could suspend extant licences and refuse new ones. As I made very clear, if we believed that we were not fully in line with the criteria, we would do so.

Hannah Bardell (Livingston) (SNP): I thank the Secretary of State for advance notice of the statement. I apologise for my hoarse voice—I think I shouted a bit too much in excitement at London Pride on Saturday.

Amnesty International, Human Rights Watch and other human rights campaign groups believe that UK and US weapons have been used against Yemeni civilians. As things stand, 10,000 civilians have been killed, 50,000 wounded and 3 million displaced. Today's judgment raises a number of questions. We pay tribute to Campaign Against Arms Trade, which has taken the Government to court and forced them to explain themselves. We acknowledge CAAT's plan to appeal this decision and wish it well, but the UK Government should be coming to this house with the facts at all times, not having to be dragged through the courts for the public to get a full explanation.

Does the Secretary of State accept that it cannot be beneficial if the public lose confidence in the Government over their relationship with a supposed ally—one that is in flagrant breach of international humanitarian law in Yemen? Let us not forget that Saudi Arabia, the UK's largest weapons client, has bought more than £3 billion-worth of British arms in the past two years. UK and EU arms sales rules state that export licences cannot be granted if there is a "clear risk" that the equipment could be used to break international humanitarian law.

The Secretary of State says that he takes this very seriously. He will know that our former colleagues Angus Robertson and Tasmina Ahmed-Sheikh were strong advocates for the re-establishment of the Committees on Arms Export Controls, which the UK Government promised before the election would be reconvened. When will that happen, and when will the first meeting take place? Can he give us categorical assurances that the election does not mean that such an important Committee will be kicked into the long grass?

Dr Fox: I thank the hon. Lady for her comments. As the judgment set out, the case focused on the airstrikes conducted by a coalition led by Saudi Arabia in support of the legitimate Government of Yemen against the Houthi rebellion. We need to put on record that that is the origin of the conflict. Of course the humanitarian issues in Yemen are deeply troubling to all of us; we have all seen the pictures. The United Kingdom, through our various agencies and Government Departments,

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has been fulfilling as much of our diplomatic and humanitarian actions as we can in the circumstances. This will only be brought to an end by a political settlement, not by a military settlement.

The hon. Lady talks about the “clear risk” test. The judgment could not have been clearer that the Government met the “clear risk” test of criterion 2c in the way they carried this out.

On the hon. Lady’s point about the Committees on Arms Export Controls, I have absolutely no objection to such a Committee being set up. In fact, I think it is beneficial to us to ensure at all times the highest reputation of our probity in these matters. I would have absolutely no objection whatsoever to such a Committee being in place.

Crispin Blunt (Reigate) (Con): Does the Secretary of State agree that the detail of the judgment makes clear what a great job his civil servants, and other civil servants and officials in both the Ministry of Defence and the Foreign Office, have done and the rigorous way in which they have gone about their responsibilities? The judgment states that the process was “highly sophisticated, structured” and “multi-faceted”. They deserve congratulations today.

Dr Fox: I do not think that the judgment could have been more unequivocal. I am grateful to my hon. Friend for his comments. We have been utterly vigorous in the process. The Foreign and Commonwealth Office, the MOD and the Department for International Trade have worked extremely closely. Our officials have done a wonderful job. I am not sure that they necessarily appreciated the number of letters between us to ensure that the process worked as tightly as it has, but I am sure that they will all feel totally vindicated by the judgment on the way in which they have carried out their duties on behalf of this country’s international reputation and law.

Mr Kevan Jones (North Durham) (Lab): I welcome the judgment, which demonstrates the robustness of the Export Control Act 2002, which was introduced by a Labour Government. It also supports the hard-working defence workers in our industry. The judgment states that the coalition did not deliberately target civilians and that the Saudis have procedures to abide by the principles of international humanitarian law. In the light of that, may I urge the Secretary of State to make representations to the Saudis to publish the outcomes of their own inquiries into the alleged incidents?

Dr Fox: I thank the hon. Gentleman for his comments. As I have said, I think we have the most robust system in existence on defence exports. We have been very clear with the Saudis that they have to carry out investigations into incidents and make those investigations clear to the United Kingdom Government, and we had to be very clear that, if we were to license further defence exports, those lessons had been learned and that mechanisms had been put in place to ensure that they would not happen again.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): Given that the High Court has today found that the Government have been meticulous in their export licensing

processes, will the Secretary of State inform the House how much this court case is going to cost the taxpayer in legal fees?

Dr Fox: I hesitate a little because there may well be an appeal and we may not yet be at the end of the legal process, but to date the case has cost UK taxpayers somewhat in excess of £600,000.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Secretary of State and the Government may have won this legal skirmish, but they certainly have not won the moral case and there are still many unanswered questions about the relationship and the terrible situation in Yemen. He said that he was confident, but the court judgment makes it clear that he was anxious. In fact, he wrote to the Foreign Secretary:

“I am concerned that the issue...continues to be finely balanced... I ask that you commission a further detailed assessment...and send me updated advice”,

and

“that you seek advice from”

senior Government lawyers “before making your recommendation.”

Why was the International Trade Secretary anxious? Was it because of the civilian deaths, the use of cluster bombs or the attacks on humanitarian supplies in operations, including water and sanitation supplies that could have been so critical in preventing the cholera epidemic?

Dr Fox: I know that the hon. Gentleman takes a close interest in the matter, but I really would not describe today’s landmark case as a “skirmish”. I think that everyone in the House would be well advised to read the full judgment. It is my job to be anxious about these things. It is my job to give the nth degree of scrutiny, because lives are potentially lost if we make the wrong judgments. It is the judgment of myself, the Foreign Secretary and other senior Ministers that gives us such anxiety. Were we to be cavalier, the hon. Gentleman would be absolutely right to criticise us. When we take the nth degree of care about the judgments we make, as previous Governments have done, he ought to be very grateful that we are doing so in the country’s interest.

Simon Hoare (North Dorset) (Con): I welcome my right hon. Friend’s statement. The judgment comes from an independent judiciary and underscores the robustness of the assessment of export licence applications. He will be aware, I hope, that Saudi Arabia is going through self-authored and hugely welcome modernisation and change. Can he assure me that those changes within the kingdom will be taken into account when considering future export licence applications to our strong and reliable ally in the middle east?

Dr Fox: We take all information into account when coming to a judgment. We look across the information from the FCO, the MOD and my Department to see what is happening, and we put the whole picture together before we come to a judgment. We can hardly be accused of spending too little time or looking at too little evidence in coming to the right conclusion.

Keith Vaz (Leicester East) (Lab): Of course we accept the judgment of the court, because we believe in the rule of law. However, how does this help the Yemeni people?

So far, 10,000 people have died, 14 million people have been displaced and 200,000 people are suffering from cholera. The Secretary of State is a former Foreign Minister and a former Defence Secretary. After the statement, will he go back to the Foreign Office and get everyone back around the negotiating table—please?

Dr Fox: The Government, through the Foreign and Commonwealth Office, are leaving no stone unturned in their attempts to get the peace process driven forward. Many attempts have been made to do so, and it is in all our interests to stop this dreadful humanitarian disaster. The right hon. Gentleman is absolutely right. The parties need to understand that the solution cannot be a purely military one; it has to be political.

Mark Menzies (Fylde) (Con): I, too, welcome today's landmark ruling on a very difficult case. There are tens of thousands of defence workers, many of them in my constituency, whose jobs depend on the deals that are done. Can the Secretary of State assure me that we will continue to work with the Saudis to ensure accurate targeting and robust terms of arms sales?

Dr Fox: Of course we will continue to work with the Saudis to get an improvement in the position, to make sure that any decisions we take are within the criteria. My hon. Friend is absolutely right that a lot of jobs in this country depend on our defence industry. Were campaigns such as that of the CAAT to be successful, there would be a rapid proliferation of new defence companies trying to set up around the world, and there would actually be less control over proliferation, rather than more.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): Parliamentary scrutiny of arms exports is crucial, so I welcome what the Secretary of State said in response to challenges on the Committees on Arms Export Controls. It is vital that those Committees are re-established soon. May I ask the Government to look again at the question of an independent UN-led investigation into all alleged violations of international humanitarian law, by both sides, in the Yemen conflict?

Dr Fox: We have never had any objection to an independent UN inquiry into that. Part of the trouble, however, as set out in the judgment, was the availability of evidence—especially in open session—to such an inquiry. When Members read the full judgment, they will see why there is such significance to it. I am entirely open-minded about any future UN inquiry.

Sir Desmond Swayne (New Forest West) (Con): How many licences have been refused?

Dr Fox: There are a number of different criteria, and they are assessed on a regular basis. There were 366 refusals or revocations in 2016. Eight different categories of refusals and revocations are set out. To be helpful, I will make a copy of those categories available in the Library, if it does not have one already.

Tom Brake (Carshalton and Wallington) (LD): Will the Secretary of State confirm that the judgment does not affirm that there was no risk of IHL breaches in Yemen; that the judge acknowledged significant evidence

that suggested that there was, or is, a risk of such breaches; and that the UK Government remain very heavily dependent on the Saudis' guarantees that they are not targeting civilians?

Dr Fox: It is impossible to sell anything to anybody with no risk attached. That is why we have a clear risk test in the consolidated criteria. We are in close touch with the Saudis, to a degree that I have never known before with a country that is party to a military dispute, in seeing how they do their targeting and understanding their methods and information. We have been closely helping to instruct them in ways to minimise civilian casualties in future.

Leo Docherty (Aldershot) (Con): I have had the opportunity to travel to Saudi Arabia and visit the targeting centre in Riyadh, where targets in Yemen are allocated. Does the Secretary of State agree that as well as exporting hardware, we export a doctrine of responsible use, which, at the end of the day, saves lives?

Dr Fox: I entirely agree with my hon. Friend that we export not just the doctrine, but the professional expertise and training that can help to give effect to that doctrine.

Alison Thewliss (Glasgow Central) (SNP): Médecins Sans Frontières is reporting today that Yemenis are afraid to go to and to stay in the cholera treatment centre in Abs, 50 km from the frontline, since it was bombed by Saudi Arabia last August, killing 19 people. The Joint Incidents Assessment Team declared this atrocity an “unintentional mistake”, as it did in relation to the facilities at Haydan and Razez in Saada and Houban in Taiz, all of which were hit by Saudi bombs. How many hospitals protected by international humanitarian law will the Secretary of State allow to be hit by Saudi Arabia before he stops selling it bombs?

Dr Fox: The hon. Lady talks as though there is only one party in this dispute in that part of the world. Unfortunately, that is not the case. As I say, we take the key risk criteria very seriously. I am afraid that making the sort of rather uninformed points she has made for propaganda purposes does not actually help the humanitarian situation.

Robert Jenrick (Newark) (Con): Does my right hon. Friend agree that among our many security objectives and values, keeping faith with important allies and being a reliable security partner should be among the most important, so that our allies can see that we take such important decisions rigorously, with the due process that they deserve and under the rule of law?

Dr Fox: My hon. Friend is absolutely right. Protection of our allies and working with our allies is extremely important, but it is also important that our allies themselves understand that we will rigorously apply the criteria that we have set out and on which we are parties to an international agreement. Getting the balance right between those things is exactly what the Government have sought and are set to achieve.

Thangam Debbonaire (Bristol West) (Lab): Will the Secretary of State please enlighten us about why he does not take more notice of the Foreign and Commonwealth Office's reports on countries of concern for human rights and repression?

Dr Fox: Perhaps we are talking about a different judgment, because this judgment makes it very clear that we did take very clear account of the advice given by the Foreign Office and, indeed, that we sought further advice from the Foreign Office when it was necessary to do so.

Alex Chalk (Cheltenham) (Con): Does my right hon. Friend agree that closed sessions are absolutely standard in litigation of this nature, and that it is absolutely wrong to make such a point to seek to undermine a clear and impartial ruling of the High Court that has confirmed the rigorous and detailed scrutiny applied to sensitive arms export decisions?

Dr Fox: I have to say that I think there is a danger in making such an attack on the court system, not least because secret or classified evidence was open to challenge by the special advocates representing the claimants in this case.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Secretary of State will be aware of reports by the BBC and the Danish newspaper *Dagbladet Information* in relation to the sale of surveillance and decryption technology to Saudi Arabia by British companies via their Danish subsidiaries. This technology has been used to crush internal dissent, and it arguably contravenes Criterion 5 restrictions due to the potential impact on UK security. Will the British Government review the legislation and oversight procedures governing sales of surveillance and decryption technology?

Dr Fox: If any individual or organisation has evidence that they believe quite clearly illustrates wrongdoing, they should bring it to the attention of the Government in detail.

Wendy Morton (Aldridge-Brownhills) (Con): Today's judgment clearly shows that the UK is very robust in its licensing criteria, but in the light of this decision will the Secretary of State reassure the House that under this system decisions to grant such licences are undertaken and assessed in line with international humanitarian law?

Dr Fox: The judgment makes it very clear that that is the case. I think that those who criticise the UK system should look at how robust we are in comparison with other countries. It would do everybody in this country good to recognise how robust and clear we are in the decisions that we make and how transparent we are in our conduct.

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary of State rightly draws attention to the robust nature of the wording in the document produced by the court. This judgment relates to a decision under the EU consolidated criteria. Does he agree that it will be extremely important that we continue to maintain controls of arms exports that are at least as strong in future as they are under the existing EU consolidated criteria?

Dr Fox: It is slightly worrying to me how often I agree with the hon. Gentleman, and I find myself doing so again today. It is not what the criteria are called, but what they contain that matters. Their content has clearly

stood the rigour of the Court's scrutiny today. I completely agree with him that it would be wayward, to say the least, for any Government to consider criteria any less rigorous than those we have today.

Mr Speaker: The hon. Member for Ilford South (Mike Gapes) does not look worried at all; he looks in a state of high contentment that the Secretary of State agrees with him. Anybody would think, as far as the hon. Gentleman was concerned, that Christmas had come early, but I suppose it is always rather good when people agree with one.

Robert Courts (Witney) (Con): Will my right hon. Friend please tell the House whether, in his view, the High Court had before it all the information it needed to reach the judgment that has been handed down today?

Dr Fox: That was very much the view of the Court.

Andy Slaughter (Hammersmith) (Lab): May I ask the Secretary of State, as he continues to promote the sale of arms to Saudi Arabia, what regard his Government have to the fact that 157 people were executed there last year, including minors, and that four young men who were arrested as minors, Dawoud al-Marhoon, Abdullah al-Zaher, Ali al-Nimr and Abdulkareem al-Hawaj, remain at imminent risk of execution by crucifixion?

Dr Fox: By our engagement with Saudi Arabia, we are able to raise any reservations we have about international humanitarian law and human rights, which we do.

Amanda Milling (Cannock Chase) (Con): In the last Parliament, it took quite some time for the Committees on Arms Export Controls to be set up. Will my right hon. Friend speak to the Leader of the House to see whether that important Committee can be set up as quickly as possible?

Dr Fox: The usual channels will have heard my hon. Friend's view. As I have made clear, I have no objection to such a Committee being in place. It is a balanced judgment as to whether we have such a Committee or not. As I said, any Committee that looks into the probity of Ministers' decisions should be welcomed by Ministers as well as by the House as a whole.

Kerry McCarthy (Bristol East) (Lab): In 2013, the Government launched their action plan on business and human rights with great fanfare, but subsequent questions by me and others revealed that it appears to be little more than a piece of paper. It is certainly not an action plan. How does that supposed action plan inform our business relationship with Saudi Arabia, and how will it inform that relationship after this judgment?

Dr Fox: It will not be affected by the judgment because the judgment said that the Government had a rigorous, responsible and rational view of decisions on defence exports. I would have thought the House would be pleased that our systems are working so transparently and so well.

Mr Philip Hollobone (Kettering) (Con): I visited Saudi Arabia as part of a cross-party delegation in April and have declared that in the register. It is right that our arms exports are subject to legal challenge, and everyone

agrees about the humanitarian crisis in Yemen, but I was surprised to learn, as were other members of the delegation, that 65,000 shells and rockets have been fired from Yemen into Saudi Arabia; that there have been civilian deaths and injuries in Saudi Arabia; and that civilians have been evacuated and displaced, and hospitals damaged, all in Saudi Arabia. Would my right hon. Friend welcome more balanced coverage of this distressing conflict?

Dr Fox: My hon. Friend makes the very important point that this is not a conflict that Saudi Arabia or the coalition sought. They have a legitimate right of self-defence and a legitimate right to acquire the means of conducting that self-defence. It is clear that this is a bloody and brutal conflict and, as I said earlier, it requires a proper political settlement. That requires us to continue with our humanitarian and diplomatic efforts. He is absolutely right that it would not do any harm to have a little more of an objective view, rather than the one-sided blast that we see rather too often in this House and elsewhere.

Graham Jones (Hyndburn) (Lab): Today's judgment was unequivocal: where the Government have failed is in advancing the peace process in Yemen and, of course, that includes Saudi Arabia. When will the Government make progress on a peace settlement for that country?

Dr Fox: The Government are doing all they can to take that process forward. Would that it were so simple that we could unilaterally create a solution in that war-torn part of the world. We are doing what we can to help our allies reach that settlement and will continue to do so. It is a humanitarian disaster but, sadly, it is not unilaterally within our power to simply bring it to an end.

Points of Order

5.19 pm

Tracy Brabin (Batley and Spen) (Lab/Co-op) *rose*—

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op) *rose*—

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op) *rose*—

Mr Speaker: I think I will take the points of order now, because there is a slew of them, but the two hon. Gentlemen can wait. Point of order, Tracy Brabin.

Tracy Brabin: On a point of order, Mr Speaker. During the most recent session of questions to the Secretary of State for Business, Energy and Industrial Strategy, I raised the case of local employers misleading workers about their right to holiday pay. The Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Stourbridge (Margot James), assured me that the Government

“have increased the powers open to Her Majesty's Revenue and Customs to enforce those rights.”—[*Official Report*, 27 June 2017; Vol. 626, c. 458.]

However, I subsequently received a written answer from the same Minister stating:

“HM Revenue and Customs has no powers to sanction companies for withholding holiday pay.”

The Minister has given me two answers stating the complete opposite of each other, in the space of a few days. Clearly, one or other of those answers must be wrong, and, although I am relatively new to this place, I was given to understand that Ministers were under a particular obligation not to mislead the House, even if inadvertently. More important, this leaves us unable to say for certain what the Government are actually going to do about the problem that I raised. Can you advise me, Mr Speaker, on whether there is any way of bringing the Minister back to the House to tell us which of her answers is final?

Mr Speaker: I am very grateful to the hon. Lady, both for her point of order and for her characteristic courtesy in giving me advance notice of it. It was also exceptionally helpful of her to attach to her proposed point of order the text of those two answers. I must say to the hon. Lady and to the House that textual exegesis is of the essence in these matters.

I have pored over the two answers, and have sought to reflect on whether they might in some way be not incompatible with each other, but such a conclusion is beyond my limited intellectual capacities. It certainly appears that the two answers are irreconcilable: one must be correct, and therefore, by definition, the other must not be. Apart from anything else, it is quite difficult to see how one can increase powers open to Her Majesty's Revenue and Customs if in fact they have no such powers at all. So the matter does, I think, require some clarification.

The hon. Lady has certainly made her concern clear. The content of answers is not a matter for the Chair, but her concern has been conveyed to the Minister, in the sense that representatives of the Treasury Bench will have heard it, and her point will be recorded in the *Official Report*. If the Minister considers that she has

[Mr Speaker]

unintentionally misled the House, I am sure that she will take steps to put the record straight. I advise the hon. Lady to watch this space, and see whether such an attempt at corrective action is made. If it is, she will be happy. If it is not, my advice to her would be to return to the matter through further questioning, or possibly, if necessary, in extremis, by recourse to the Chair.

Stephen Doughty: On a point of order, Mr Speaker. Given the importance of parliamentary scrutiny of arms export controls, which has been evidenced by the recent exchanges and by the judgment today, do you believe that there is anything to prevent the Committees on Arms Export Controls, or indeed any other Committees, from examining these important matters? Would they be able to review and look at classified information that was relevant to these matters—provided that the necessary security clearances were obtained—in much the same way as the Intelligence and Security Committee?

Mr Speaker: Off the top of my head, I would say to the hon. Gentleman that the only thing I can imagine preventing that would be a governmental refusal to divulge the information, on the grounds that it was classified and that the relevant Department or agency did not think that such sight by the Committee was necessary or desirable. Otherwise, there is nothing to prevent it, and if such a Committee were to seek it, it might find that its search was successful—and I am sure that, if it had anything to do with the prodigious efforts of the hon. Gentleman, it would have a very good chance of being successful. I hope that that will do for now, because it is the best answer that I can offer.

Stephen Twigg: On a point of order, Mr Speaker. During the statement just now, there was strong cross-party support for the re-establishment of the Committees on Arms Export Controls. In the previous Parliament, that Committee ceased to meet because one of its component Select Committees, the Foreign Affairs Committee, voted to unilaterally leave it. May I ask you to use your good offices to ensure that what the Secretary of State, the shadow Secretary of State and the Scottish National party spokesperson said during the statement is fulfilled and we re-establish the Committees on Arms Export Controls as soon as possible?

Mr Speaker: I certainly think it would be very desirable for Parliament and for the scrutiny of the Executive branch by Parliament for that Committee to be re-established sooner rather than later. The word of caution or caveat that I insert, which the hon. Gentleman will appreciate, is that, unless I am much mistaken, that Committee can be established only when what might be called the feeder or constituent Committees have themselves been established. That, of course, requires not merely the election of the Chairs of those Committees, which is due to take place on Wednesday of this week, but the election by the respective parties, by such methods as they have adopted, of their member contingents on those Committees.

I have not been given much encouragement to think that those Committees will be fully constituted by the time of the summer recess, although I must say to the hon. Gentleman that it would be perfectly possible fully

to constitute all of the Select Committees by the time of the summer recess if there were a proper will to do so. If it were the case that none of the constituent political parties was interested in getting its act together, that would reflect very badly on them, to be frank, because the issue is not the interest of the party, but the interest of Parliament. If it transpired that some parties were ready to elect their members to those Committees and other parties were not, that would look very bad for the parties that were not ready. They have a responsibility in this matter.

I do not wish to say this unkindly, but, whoever is in government, it is absolutely natural that the zeal and enthusiasm to establish the Select Committees which scrutinise the Executive branch are never as obvious within the Executive branch as they are within Parliament. However, as Speaker, I am concerned about Parliament—Parliament exercising its rights, and Parliament doing its duty—and I would rather hope that, to put it bluntly, instead of faffing around, we could get on with this matter.

Dr Julian Lewis (New Forest East) (Con): Further to that point of order, Mr Speaker. In defence of the former Foreign Affairs Committee, it must be said that I think that the reason for its withdrawal from the Committees on Arms Export Controls was the unauthorised leaking of a draft report; so that was a more complex situation than was first suggested.

However, reverting to the question of getting the Committees up and running, given that I understand that the 1922 Committee, for example, has not held its elections and it would normally handle the election of ordinary members to the Select Committees, is there any way that the resources of the House might be involved in assisting this process to get under way more quickly in the absence of the election of members of the executive of the 1922 Committee to administer this?

Mr Speaker: I am grateful to the right hon. Gentleman. I take note of his first point, with which I will not quibble; I do not want to enter into the dispute about what caused the ceasing to operate of the Committees on Arms Export Controls, but I simply note what he said.

On the right hon. Gentleman's second point, I note that he said that, so far as his party is concerned, the officers of the 1922 Committee normally handle the election of members. To put it bluntly, if memory serves me correctly, what the officers of the 1922 Committee usually do in respect of their party—perhaps something similar operates in other parties—is simply oversee the count. Whether the officers of the 1922 Committee have or have not been elected is not a matter for the Chair—that is a party matter—but, frankly, overseeing the count does not require Einsteinian qualities; it is a pretty prosaic task.

I do not think it would be right to say that the resources of the House could be made available in what is essentially the oversight of a matter undertaken by parties. However, it would seem to be perfectly feasible, if my colleagues, the Deputy Speakers, were so willing, that they and I could volunteer our services to oversee the count, if the House thought that that would be helpful. My basic point stands: do colleagues want these Committees to be set up sooner rather than later?

If they do not, that is a pity, but if they do, those of us who are of good will and can be relied upon to conduct the count perfectly fairly, would, I suspect, be very happy to offer our services. I could hardly be more explicit. We will leave it there for now. I am grateful to the right hon. Member for New Forest East (Dr Lewis) and to the hon. Member for Liverpool, West Derby (Stephen Twigg).

Mr Speaker: I call Diana Johnson to make an application for leave to propose a debate on a specific and important matter that should have urgent consideration under the terms of Standing Order No. 24. The hon. Member has up to three minutes in which to make such an application.

Contaminated Blood

Application for emergency debate (Standing Order No. 24)

5.30 pm

Diana Johnson (Kingston upon Hull North) (Lab): I seek leave to propose that the House should debate a specific and important matter that should have urgent consideration—namely, the need for the Government to establish an independent public inquiry into the contaminated blood scandal, which is the worst treatment disaster in the history of the NHS. In his valedictory speech to this House on 25 April 2017, the then right hon. Member for Leigh outlined a dossier of extremely serious allegations amounting to criminal conduct on the part of individuals involved in the contaminated blood scandal. He said that, if the Government did not commit to a public inquiry

“by the time the House rises for the summer recess, I will refer my evidence to the police”.—[*Official Report*, 25 April 2017; Vol. 624, c. 1081.]

The then Under-Secretary of State for Health—the former Member for Oxford West and Abingdon—asked him to submit his dossier of evidence to the Health Secretary, which he did. She assured the House that the Secretary of State would give it “the highest priority”. However, we have heard nothing since then, and we now have further unanswered questions that underline the need for an emergency debate.

First, the *Daily Mail* set out evidence last week that officials knew, as early as 1980, that 50 people with haemophilia a year were being infected with hepatitis C. Nothing was done about this for five years. Secondly, it has been reported in *The Sunday Times* that, on Friday 7 July, the Westminster leaders of all six non-Government parties in the House of Commons—including the Democratic Unionist party—wrote a joint letter to the Prime Minister urging her to commit to a Hillsborough-style inquiry. Thirdly, the right hon. Andy Burnham yesterday reaffirmed his commitment to refer cases of alleged criminality to the police, and confirmed that he has an appointment with the police on 26 July.

We are now fast approaching the summer recess deadline, yet what little comment the Government have made has only added to the confusion and strengthened the case for an emergency debate. It would appear that the Secretary of State for Health has not considered the dossier, as was promised on 25 April. Last week, the Prime Minister and the Leader of the House of Commons responded to questions about the scandal: one from me, the other from my hon. Friend the Member for Newport East (Jessica Morden). Neither of them addressed our direct questions about the need for a public inquiry. Indeed, both raised further confusion by referring to the financial support for those affected as “compensation”, contradicting the position taken by previous Ministers.

These recent developments have been extremely significant. The letter of 7 July raises the prospect that, if the matter of a public inquiry were put to a vote in the House, it would command the support of the majority of Members of Parliament. For all the reasons I have outlined, I believe that we now need an emergency debate. We need the Government to do the right thing and secure justice for those affected in this scandal, including justice for the 2,400 people who have already died.

Mr Speaker: I have listened carefully to the application from the hon. Member, and I am satisfied that the matter raised by her is proper to be discussed under the terms of Standing Order No. 24. Has the hon. Member the leave of the House?

Application agreed to.

Mr Speaker: The hon. Member has obtained the leave of the House. I can inform the House that the debate will be held tomorrow, Tuesday 11 July, as the first item of public business. The debate will last for up to three hours and will arise on a motion that the House has considered the specified matter set out in the hon. Member's application. She may wish to liaise either with my office or with the Clerks as to the precise wording, but it was referenced in her initial application to me and it conveys the gravamen of the issue in terms that are unmistakable. I hope that that is helpful to the hon. Member and to the House, which has about 24 hours' notice—perhaps a bit less than that—of the intended debate.

Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill

5.35 pm

The Minister for Digital (Matt Hancock): I beg to move, That the Bill be now read a Second time.

Everyone in the House knows the importance of being connected, whether through traditional means or, increasingly, through digital connections. Whether the issue is the next generation of broadband technology, better mobile phone coverage or preparing for the next generation of 5G, the Bill is all about improved connectivity. Whether we are talking about fixed networks in the ground or the next generation of mobile and wireless connectivity, what people care about is how well connected they are—good download and upload speeds, reliability, latency, and how quickly they get reconnected when there is a problem. It is a problem that we can all identify with, Madam Deputy Speaker. May I say what a great pleasure it is to see you in the Chair for the first time from the Dispatch Box, Dame Rosie?

Our task is to prepare for a world of considerably greater demand for digital connectivity. Just as Moore's law states that the cost of computing halves each year, Nielsen's law has seen the doubling of data demands every two years. World-class connectivity is important for people to function in the modern world, whether at work or at play. It will continue to transform our public services and bring efficiencies there, too, and it is important for all sectors in our economy. The challenge is always to stay a step ahead of need. We need the digital infrastructure that can support that, providing ubiquitous coverage so that no one is left out, and sufficient capacity to ensure that data can flow at volume and with speed and reliability to meet the demands of modern life.

All these connections rely on Britain laying more fibre-optic cable. Whether fibre all the way to the premise—to each home and business—or the fibre that underpins the mobile network, all modern connectivity runs off fibre. Around five years ago, the nation took a strategic decision to roll out high-speed broadband based largely on a part-fibre, part-copper network. Superfast broadband delivered in that way is today available to 93% of UK homes and businesses. We rank first among the big European states for superfast connections, and we are on track to reach 95% by the end of this year.

In mentioning that, may I pay tribute to my right hon. Friend the Member for Wantage (Mr Vaizey)? He did so much—he never lets me forget how much—to deliver the first-rate, high-quality superfast broadband connectivity to homes and businesses around the country that now allows us to say that 93% of people have access to, but do not necessarily take up, superfast broadband.

Catherine West (Hornsey and Wood Green) (Lab): I thank the right hon. Gentleman for being so quick to take an intervention. May I suggest that he is being a little Panglossian and positive in his approach? As constituency MPs, we receive quite a number of complaints, and yet the grin on his face suggests quite the opposite.

Matt Hancock: That was me talking about what we have done so far—just wait until I talk about what we need to do in the future. I strongly agree with the hon. Lady

that we need to do much more, which is what the bulk of my speech is all about. Indeed, it is what the Bill is all about. If she holds the view she espouses, I look forward to her marching through the Division Lobby later in support.

Precisely on the point raised by the hon. Lady, of course 7% of premises do not yet have access to superfast connections, so we are introducing the new broadband universal service obligation so that, by 2020, everyone has access to a minimum level of service. That will provide a vital safety net and ensure that nobody is left behind as the country takes these strides towards better connectivity.

Yet even this is not enough. Demand marches on. People's needs and expectations have risen further, and will continue to rise. Yes, we need to celebrate what we have done so far, but we must also deliver deeper connectivity, now and in the future, to support a competitive market and to ensure that we get this infrastructure in the ground. We must work now to deliver the next generation of technologies, 5G and fibre over the decades ahead. This Bill is part of a suite of actions we are taking to boost Britain's fibre. We will break down barriers to better broadband for business and get quicker connectivity for consumers.

First, in the Digital Economy Act 2017 we reformed the electronic communications code, which regulates agreements between people who provide sites and the digital communication operators. That new code will make it easier for electronic communications infrastructure to be deployed, maintained and upgraded. We are currently finalising the regulations needed to support the new code, which we plan to commence later this year when the work has been completed.

Secondly, with the separation of Openreach from BT we will see a more competitive market, with an Openreach that serves all customers well, rather than just focusing on BT. That decision has been largely welcomed by BT's competitors and is the result of intense negotiations between Ofcom and BT. It is the right outcome and will ensure that Openreach delivers not just for its customers but for the whole country.

Thirdly, we are supporting the fibre roll-out through a £400 million digital infrastructure investment fund to help competitors in the market to reach scale and to deliver. The fund will improve access to commercial finance for alternative developers for full fibre infrastructure, helping them to accelerate roll-out plans and compete with the larger players.

Sir Desmond Swayne (New Forest West) (Con): Will that assist those areas, of which there seem to be a great number in my constituency, where one part of, say, a market town or a small village has had its box upgraded by BT but users who are a few yards further away from the box, requiring longer reaches of copper wire, cannot get a decent service?

Matt Hancock: It may well help, but the universal service obligation is the thing that will really help those people, because it means everybody will have a right to a high-speed broadband connection. Some of those connections will be delivered by the next-generation full fibre connectivity and some of them by the existing technology, but our whole package of measures to deliver better broadband and quicker connectivity will ensure that we reach those people who, frustratingly,

can be just a few yards further away from a box—or, indeed, who see the fibre go down in the road in front of their premises—but who do not have a connection.

Rebecca Pow (Taunton Deane) (Con): I welcome the Bill, which is essential for moving the country forward and making our businesses as strong as possible, but even in the centre of Taunton Deane and the county town of Taunton there are areas where people still cannot get fast broadband. Will the Minister tell them how quickly they might be able to take advantage of this new service?

Matt Hancock: The universal service obligation is in law to ensure that everybody can access the service by 2020, but that is an end date, a deadline. As I said earlier, we have now reached 93% of premises. Crucially, that is 93% of premises having access to broadband—they still have to take it up. In fact, everybody who takes up the service in a subsidised area puts more money into the pot so that we can give more people access to superfast broadband.

Just 42% of the country had superfast broadband in 2010, when my right hon. Friend the Member for Wantage took up the reins of delivering it, but now 93% have access to it. We are on track to get to 95% at the end of the year, and then 100% of premises will have access to high-speed broadband by 2020. As my hon. Friend the Member for Taunton Deane (Rebecca Pow) can see, we are rolling that out. Crucially, that is delivering today's technology—it delivers the needs of an average household today—but we also need to make sure we are ahead of the curve on the next generation of technology.

The idea of the digital investment fund is that it supports the commercial finance of alternative developers so we get more players into the market, rather than just having BT and Virgin, the two big players. The Government's investment will be at least matched on the same terms by private sector investments so we expect it to capitalise more private investment and bring more than £1 billion of investment overall into full-fibre broadband, getting the really high speeds that some people need and want now, but many, many more will need and want in the future as these demands increase.

Kit Malthouse (North West Hampshire) (Con): I want to refer back to the Minister's remarks on the universal service obligation, which of course he is right to hail as a revolution in provision. The USO will be subject to a cost cap, so I wonder whether he will tell us when our constituents are likely to know what that cap is going to be and therefore whether he will be burnishing his credentials as a hero of rural Britain or not.

Matt Hancock: I know when to take a compliment as a threat. The truth is that this all depends on the technology. It may cost an awful lot to dig a trench and get a piece of fibre all the way to some places a long way from the existing network. However, new technologies are coming on stream, especially fixed wireless technologies, where a signal is beamed from one place to another. As a last resort, there are satellite technologies, which are good but not as reliable, that mean everyone can get connected. The aim is to get decent broadband speeds to every premises that wants them, making sure that as much of that as is feasibly possible is covered by a fixed network, but using technologies to get to the hardest to reach.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am grateful to the Minister for confirming that 100% of properties will have access to this by 2020, but will he confirm what speeds they will have access to? At the moment, there is a range of 2 megabits per second for the universal service and 24 megabits per second and more for the superfast service. What range of speeds is he talking about when he refers to 100%?

Matt Hancock: We have said 10 megabits per second as a minimum, and that is Ofcom's analysis of the needs of the average household today; this is about making sure there is a service everybody can use. As we ask people to pay their taxes, get their passports or do their rural payments service applications online, it is a perfectly reasonable request back to us in government that people should have a decent level of broadband. If people want the really tip-top level, they may have to pay more for it, and that is not unreasonable either. We are saying that there must be a decent level of high-speed broadband. At the moment, we have said 10 megabits per second as a minimum, but we have also said that that has to be reviewed in an upwards direction in due course.

Richard Benyon (Newbury) (Con): I speak as someone whose constituency is one big roadworks, where a company called Gigaclear delivers fibre to premises, which is welcomed by people in even quite remote communities.

Will the Minister help us with concerns we might have about his discussions with the Valuation Office Agency, which, in my experience, seems not to understand the way the world is? At the click of a VOA bureaucrat's mouse, the finances of a local unitary authority such as West Berkshire Council can be radically altered in terms of how networks are business rated.

Matt Hancock: I can tell my right hon. Friend two things. The first is that we are committed to a business rates review to look at these sorts of things for fibre currently in the ground; I am sure the Secretary of State for Communities and Local Government and the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones), who are here on the Bench, will have heard what he has said.

The second thing is that at the heart of this Bill is making sure that new fibre that goes into the ground will have no such rates at all for the next five years, which is why we are here legislating today; we are making sure that companies such as the one he mentioned can get on and deliver this fibre, digging it in the ground as efficiently and cheaply as is reasonably possible, and we reduce the tax on that.

The fourth reason why fibre is important is for implementing our 5G strategy, including exploring commercial options to improve mobile coverage on our roads and rail networks, because we want mobile phone coverage where people live, work and travel. We are working with Ofcom to make sure that UK regulations on spectrum and infrastructure are 5G ready. We are working across Government with the Department for Transport and the Department for Communities and Local Government to make sure that we get right the rules on putting the infrastructure in place. We are also supporting 5G pilots, the first of which we will roll out next year, making Britain a global leader in 5G. All 5G roll-out is supported by fibre—there cannot be a 5G mast without the fibre that connects it to the network.

Fifthly, our £200 million local full-fibre networks programme is about supporting local bodies to stimulate the market for fibre connectivity in their areas. Fibre cannot be delivered by some sort of entirely nationalised, top-down, taxpayer-funded system; it has to be done in collaboration with the private sector. The local full-fibre networks programme is being delivered in support of local bodies to encourage the market to provide more fibre connectivity. For example, public sector anchor tenancies will bring together public sector broadband demand in an area to create an anchor customer, thereby making sure that investors know there is enough revenue to reduce the risk of building a new network. Such networks will connect directly into public sector buildings such as schools and hospitals. At the same time, they will improve connectivity for those who work in our vital public services and bring fibre closer to more homes and businesses, allowing them to be connected, too. The first wave of projects will begin later in the year. This is a great example of the public and private sectors working together to improve connectivity for all.

Sixthly, our business broadband fibre connection vouchers are incredibly exciting for people like me who are frustrated at the poor quality of broadband being delivered to businesses. In the previous Parliament, we had a really effective voucher scheme for superfast broadband for businesses. The new vouchers will be trialled by the end of the year and will be for full-fibre connections for businesses. The scheme will be rolled out more widely in 2018 to help businesses to get the best fibre broadband, because we know that so many jobs and so much business growth depends on it.

The Bill takes a further step. Business rates are an important source of revenue for local services, but have long been cited as a barrier to investment by the telecoms sector. There has been consternation—as articulated by my right hon. Friend the Member for Newbury (Richard Benyon)—at how the rates have been calculated. There was a perception of a disparity or lack of fairness between the rates paid by some operators, such as BT and Virgin Media, and smaller alternative networks such as CityFibre and Gigaclear. The rating methodology is of course a matter for the independent VOA, which has been working on this issue with the sector, but it is complex work and we do not have a moment to waste.

We recognise the urgent need to go the extra mile, so in last year's autumn statement my right hon. Friend the Chancellor announced a 100% rate relief for all new fibre networks for five years from April 2017, with any relief backdated to that date. We will fund and fuel a full-fibre future, and we have introduced this Bill early in the Parliament to bring forward the legislative changes required to make that happen. The Bill will introduce new rules into each provision for business rates to allow us to vary the rates bill for telecommunication infrastructure, which will be set so that no rates are paid on new fibre for five years from the April just gone.

Wendy Morton (Aldridge-Brownhills) (Con): Does the Minister think the five-year period for business rates relief will be sufficient to incentivise the market players to get on and roll out fibre broadband? Will he try to ensure that as they do that we get coverage throughout the country and they do not just start in the easy-to-reach areas first?

Matt Hancock: First, there is no doubt that the five-year business rates holiday shows that we are reducing the cost of getting fibre into the ground. Secondly, it is time limited, so my message to alternative providers, as well as the big players, is to get on with it and make use of the relief while it is available. Thirdly, it gives us time for the business rates review and the VOA to look at the complexities over a reasonable period and come forward with a long-term, sustainable scheme. Sixthly—fourthly? I cannot remember which point I was up to, but I am sure that *Hansard* will make this bit sound really eloquent. I have completely lost my train of thought!

The final thing I was going to say is that the five-year business rates holiday will also give us the opportunity to decide, towards its end, whether five years has been long enough and whether we want to extend it. The fact that it is a five-year period demonstrates that providers should get on with it. I assure my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) that it will be no shorter than five years, and I am grateful for her intervention because it allowed me to get completely confused with my own points.

In total, our efforts are part of measures worth £1.1 billion to support the market-led roll-out of fibre broadband and ensure that we are at the front of the 5G queue. There is still a lot more work to be done, and we will consult shortly on the technical details of implementation. The relief will reduce the costs of deployment, thereby incentivising the market to deliver where it otherwise would not have. I hope that, in the spirit of cross-party collaboration, the Bill will get the support of Government and Opposition Members, as it will benefit people right across the United Kingdom. We want to see a country in which people are better connected and everyone can get online and reach their full potential, and to make sure that nobody is left behind. The Bill provides a step on that journey, and I commend it to the House.

5.56 pm

Andrew Gwynne (Denton and Reddish) (Lab): May I welcome you to the Chair, Madam Deputy Speaker? It is a pleasure to see you in your rightful place. I wish to take this opportunity to welcome my shadow Communities and Local Government team: my hon. Friends the Members for Oldham West and Royton (Jim McMahon) and for Makerfield (Yvonne Fovargue), and my hon. Friend the Member for Portsmouth South (Stephen Morgan), who has today agreed to act as my PPS.

The Opposition cautiously welcome the Government's apparent commitment to provide financial relief for all new investment in full-fibre internet for five years. In the course of my speech, I shall set out why I say "cautiously". Until the intervention from the hon. Member for Aldridge-Brownhills (Wendy Morton), the Minister had waxed lyrical for twenty minutes before coming to business rate relief, which is the subject of this very short Bill.

The Opposition welcome the opportunity finally to discuss a crucial piece of infrastructure policy—a policy that will have a huge impact on the potential investment opportunities for all our communities over the coming decades. It is rather ironic that we are talking about IT connections on a day when pretty much all the parliamentary internet connection is down. I have it on good assurance that the parliamentary information and communications technology officers are busily trying to reconnect MPs to the internet and their email accounts.

All Members will know that the policy in the Bill will affect every part of the country—north or south; England, Scotland, Wales and Northern Ireland; urban or rural—so we have to get this right. I am sure Members will feel that acutely today as we and our staff struggle with the collapse of internet connection across the Westminster estate which I just mentioned.

We were expecting a larger, more substantial Bill, not least considering the scope of investment and certainty needed not only for full-fibre infrastructure but on business rates more widely. However, it appears that the Government have been in permanent listening mode for quite some time now, which would explain their decision to acquiesce in the concerns of independent and large internet providers who at the end of last year faced an excessive fourfold increase in their rateable values.

The UK's main providers and the Broadband Commission have estimated that UK 5G infrastructure will outstrip the economic benefits of fibre broadband, which most of the country currently uses, by 2026, when it will be outdated. By 2026, therefore, the UK will reach a tipping point where the direct economic benefits of new 5G optical fibre internet will beat the conventional fibre broadband. Various estimates point to a boost to the UK economy of between £5 billion to £7 billion just six years from roll-out, with 5G broadband delivering economic growth almost twice as quickly as conventional fibre broadband used today. Much as with our railways and road links, the quicker the connection, the faster businesses will grow, particularly in an age when online sales, social media and direct online contact with buyers and sellers are becoming the norm.

A study by O2 has revealed that national 5G infrastructure will also add an extra £3 billion a year through secondary supply chain impacts, boosting overall UK productivity by a total of £10 billion, which, as I have already said, makes good, sound economic sense. With improved connectivity comes greater economic growth, more jobs and improved links between business hubs and individuals alike. Although today's Bill will be welcomed by larger providers in the sector as it will relieve some of the burden that they face from increased business rates—£60 million is on offer, which is a big giveaway to them—I worry that it will do not as much as it should for the independent providers, and it will not come close to mitigating the fourfold increase that all providers have faced. Perhaps the Minister can give us some assurances when he winds up the debate. Providers are not the only ones who need assurances; consumers do, too, and they need to know that those costs will not be passed on to them.

Additionally, I am slightly disappointed that this Bill contains only partial measures, instead of the more detailed and wide-ranging set of proposals that were outlined in the Local Government Finance Bill, of which these measures were originally a part. I mention that Bill, which had successfully passed through Committee, as it included proposals on local business rate retention for local authorities as well as the legislation for business rate relief for new full-fibre broadband, which we are now discussing today. However, those fuller measures seem to have disappeared since the general election.

Since that election, I have asked the Secretary of State on three separate occasions about the progress that has been made on delivering business rate retention for local authorities. Perhaps the Under-Secretary of

[*Andrew Gwynne*]

State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones), has something to say on that. He can intervene on me now or respond in his closing remarks. I ask him again: what is happening to retention and why has business rate relief for new 5G connectivity now been separated into this smaller, separate Bill?

As I have said, I have written to the Secretary of State about this matter and I await his response, although I hope that, by this stage, the Department will do less listening and more acting on this issue of business rate retention. In the spirit of the cross-party co-operation that the Prime Minister is now asking for, and in respect of the exchange of ideas and genuine dialogue between the Opposition and the Government, I suggest that perhaps we can work together on a shared future for local government finance. The local government sector deserves more than a policy and a financial black hole with which it is currently faced with the exclusion of the Local Government Finance Bill from the Queen's Speech. At the same time, the Government are still announcing their intention to remove the revenue support grant. Perhaps the Minister can clarify that when he closes the debate.

The Secretary of State and I visited the LGA conference last week—admittedly we received slightly different receptions. I am sure that he was reminded again and again by representatives from councils of all political colours of the financial certainty that local authorities desperately need—specifically at a time when they have already absorbed budgets cuts of 40%. However, like me, they have received no updates and no certainty. While we are talking about an element of the business rate in this Bill, perhaps we can remind the Secretary of State that local authorities need to have that clarity and certainty for future financial planning. They need some idea from this Government of where the wider business rate policy is going.

I will repeat what I said during my speech to the Local Government Association: “The Secretary of State told local government that they faced a looming crisis in confidence. He's wrong. It is this Government who are facing a looming crisis in confidence.” The lack of clarity on business rates and the botched business rates revaluations have left thousands of businesses facing cliff-edge increases in their rates. In addition, the Government's support package and promises to review the revaluation process go nowhere near far enough.

It is clear that business rates are this Department's ticking time bomb, which threatens to destroy high streets and town centres across the country. Labour advocates introducing statutory annual revaluations to stop businesses facing periodic and unmanageable hikes, and guarantees a fair and transparent appeals process. We will reform business rates, scrap quarterly reporting and end the scourge of late payments, because it is Labour which is the party of business. [*Interruption.*] Members can heckle, but the facts speak clearly: this Government have let down business and they have let down local government.

Helen Whately (Faversham and Mid Kent) (Con): Will the hon. Gentleman just remind us of the Labour party's policy on corporation tax rates?

Andrew Gwynne: Absolutely. Labour would have increased corporation tax to pay for better public services, but our rates would still have been among the lowest in the G20. It is a question of priorities. We can put money where people want it—in a better NHS, in better local government and in better education—or we can have poorly funded public services and tax giveaways to those at the very top. For all its rhetoric about ending austerity, it seems quite clear that the Conservative party has not changed one iota. There was a further omission to this Bill—

Kit Malthouse: Does the hon. Gentleman recognise that the reductions in corporation tax in the past few years have resulted in a massive increase in the cash collected by the Treasury?

Andrew Gwynne: As I said in answer to the hon. Member for Faversham and Mid Kent (Helen Whately), it is a question of priorities. We can give tax cuts to big business, or we can invest in public services. The point is that we made a very clear choice—[*Interruption.*] We have differences of opinion on this. The hon. Gentleman feels that having the lowest corporation tax is a good thing, but I think that having a corporation tax that is among the lowest in the world with a better funded public—[*Interruption.*] It is not an anti-business rant. I am talking about being both pro-business and pro-public services. That is the choice, because our public services are on their knees. If this is the cross-party co-operation that the Prime Minister wants, I am afraid it will be a long time coming.

Several hon. Members *rose*—

Andrew Gwynne: I will not give way, because we are talking about infrastructure.

Helen Whately *rose*—

Andrew Gwynne: No, I have given way once to the hon. Lady, I will not do so again.

There is a further omission in this Bill—the exclusion of any real and meaningful legislative commitments on growing rural broadband. I am worried that there appears to be absolutely no mention in the body of the Bill or the explanatory notes of growing and expanding the UK's superfast broadband in our rural areas, although the Minister touched on it and I think there is some consensus about its desirability.

Let me give a short anecdote. Last year, I was privileged to be in a delegation to Zambia for the Inter-Parliamentary Union Assembly. In the middle of Africa, in the middle of nowhere, on a visit to a health scheme near the Zambezi river, I received an almost-perfect 4G connection to my mobile phone. There are parts of my constituency where I do not get such a perfect 4G connection. We need to look at our internet connections, broadband connections and mobile telephone connections in this country so that we have the very best to support business, consumers and individuals.

As I am sure the Minister is aware, many families living in rural areas struggle to get anything close to fast broadband, let alone 5G, which is what we are discussing today. Many others struggle to get anything above 2 megabits per second, making most average use of

day-to-day internet functions incredibly frustrating. The impact on rural businesses is steep, with the Select Committee on Environment, Food and Rural Affairs warning before the 2015 general election that rural communities are being overlooked for potential investment by businesses looking to expand and develop because certain regions have very poor digital connectivity. The then Chair of the Committee, the former Member for Thirsk and Malton, said:

“There is a risk in the current approach that improving service for those who already have it will leave even further behind those who have little or none.”

Rather than taking responsibility for this ever-growing chasm in our technology and identifying specific areas that desperately need investment, the Government have chosen to rely solely on the market to encourage improvements in any given area.

Matt Hancock: That is not the case. The Digital Economy Act 2017, which was the last Bill passed in the previous Parliament, gives us the power to require a universal service obligation so as to get high-speed broadband to everybody.

Andrew Gwynne: Well—[*Interruption.*] Exactly. As my hon. Friend the Member for Oldham West and Royton says, the Minister should share that with his Back Benchers. In all parts of the House, there is growing dissatisfaction with some rural broadband connectivity, its impact not just on consumers but on businesses, and the slow pace of improvement. It is clear that the Government ought perhaps to use their powers to ensure that those improvements happen, because it is a massive frustration for those communities and businesses—I see him nodding his head in agreement.

Matt Hancock: It is a serious frustration and we will use the powers.

Andrew Gwynne *rose*—

Helen Whately *rose*—

Andrew Gwynne: Will the hon. Lady let me answer the Minister’s intervention before I take another?

I am grateful to hear that from the Minister, and we will hold the Government to account to ensure that that intervention takes place. As he knows, we are all here to ensure that improvements happen, and if he has given a commitment from the Dispatch Box that he will use his ministerial position to ensure that the market is not a free-for-all and that the Government will ensure those improvements in rural areas, for rural businesses and consumers, the Opposition will support him.

Helen Whately: I thank the hon. Gentleman for giving way to one of the Back Benchers he mentions. Yes, many of us are campaigning on behalf of our constituents for better broadband, but on behalf of many of my constituents I appreciate that 20% of properties have been connected to superfast broadband thanks to the Government’s intervention. I expect up to 100% to be connected thanks to further Government intervention through the universal service obligation, as the Minister mentioned earlier. I look forward to being very grateful to the Government for all the work they are doing for my constituents.

Andrew Gwynne: I am grateful to the hon. Lady for that intervention, because, of course, it was not just the Government who did that. I do not know whether she was a remainer or a leaver, but it would be remiss of the House, whatever our views on Brexit, not to acknowledge the involvement of the European Commission in funding some of the roll-out of this infrastructure and technology. It has come not just from the Government but from others, and we can see the European flag stickers on boxes, cabinets and infrastructure up and down the country.

Kit Malthouse *rose*—

Andrew Gwynne: I am afraid that I have upset the hon. Gentleman by mentioning the word “Europe”.

Kit Malthouse: The hon. Gentleman has to recognise that there is also a downside to EU involvement. I know that my right hon. Friend the Member for Wantage (Mr Vaizey) struggled for a long time with EU state aid rules and the roll-out of broadband and, certainly for small businesses, had to come up with a slightly Heath Robinson-esque scheme of vouchers to get around the rules. If anything, they hampered roll-out rather than assisting.

Andrew Gwynne: The hon. Gentleman is absolutely right. I am not saying that everything was perfect with that scheme, or with the European Community and European Union. I was merely pointing out in response to the intervention from the hon. Member for Faversham and Mid Kent (Helen Whately) that it would be remiss of us to suggest that all the funding came from central Government when it came from a variety of sources, including the European Commission, to which all those stickers are a testament.

As I have said and as the Minister has acknowledged, our rural areas need a long-term investment strategy, not just short-term subsidy, helpful though that is. I look forward to holding the Minister to account while he is in this post to ensure that he makes good on his word. The short-term subsidy will help, but we need to ensure that investment continues apace beyond the five-year deadline of this business rate relief and we need continually to update our internet connections with the latest technology.

The Opposition’s focus is to encourage investment in all communities by excluding new investment in plant and machinery from future business rates valuation, which will free up medium and large businesses to invest in any area of the country. The country needs fresh ideas to meet the emerging challenges of the new century, yet what we have seen today, in a stripped-down Bill, is the lack of a comprehensive and compelling legislative framework that supports all businesses and local authorities on business rates.

I desperately plead for the co-operation the Prime Minister has asked for. I hope that it is genuine and heartfelt, and that she looks for ideas from the Opposition, which we are more than happy to provide to the Government—ideas to improve our infrastructure in cities and in rural areas, to update our connectivity, not just physically but through the cloud and other technologies, and to use emerging technologies to benefit British business, which will be crucial if we are to keep a competitive advantage in the uncertain years ahead.

[Andrew Gwynne]

As we remove ourselves from the EU and strike a new set of trade deals across the world, we must keep that competitive edge. I agree with the Minister that new and emerging technology and infrastructure is part of the mechanism to drive Britain's economy in the face of the new challenges that lie ahead.

We will not divide the House tonight. We will look to strengthen the Bill in Committee and we will continue to challenge the Government on their wider local government finance policy until we get the answers and certainty that local government so desperately needs. Technology and infrastructure are vital to building Britain's capacity to grow and develop in a changing world in which we look to new and emerging markets. It is incumbent on whichever party is in government in future to work constructively with others to ensure that Britain's infrastructure is kept as up-to-date and as state-of-the-art as possible.

In that respect, we cautiously welcome the Bill. We will seek to strengthen it in Committee, but let us work together on some measures for future local government finance because, as the local government Minister knows, local government needs that certainty.

6.21 pm

Mr Edward Vaizey (Wantage) (Con): I am grateful for the chance to speak under your chairmanship for the second time, Madam Deputy Speaker. I refer hon. Members to my entries in the Register of Members' Financial Interests.

It is a great pleasure to take part in this debate. I thought it might be narrowly-focused, but I have judged, from the interventions on the Minister, that this is clearly going to be yet another talk-fest about the quality of broadband in individual Members' constituencies. That means I will have to stay for the whole debate to ensure that hon. Members are not too rude about me. I know that they are unswerving in their support of the Minister, but they always liked to have a go at me when I did his job.

It was quite good to hear the Opposition spokesman, the hon. Member for Denton and Reddish (Andrew Gwynne), as he spent very little time actually talking about broadband, which shows how well the job has been done. He finessed his speech to talk widely about the important issue of business rates, but only mentioned broadband briefly. I understand why and respect his reasons because, under the stewardship of the Minister, we have of course seen the most successful rural broadband programme ever devised anywhere in the world. There was meant to be a cheer there. [HON. MEMBERS: "Hear, hear!"] I will give hon. Members their cue points as I go through my speech.

This incredibly successful programme has delivered superfast broadband to 4.5 million premises for a few hundred million pounds. Most of that money, if not all of it, will come back to the Government because the way in which the contracts were constructed means that the money starts to be paid back once take-up passes a certain threshold. I echo the words of my hon. Friend the Member for Faversham and Mid Kent (Helen Whately). She talked about the 20% of premises in her constituency that have superfast broadband. It is very important that we see our cup as half full. The Opposition Chief Whip

spends his time thinking his cup is half full at the moment—[*Interruption.*] Oh, he is the Deputy Chief Whip; well, for me, he is really the Chief Whip. I digress. We hear from people who do not have broadband and are waiting for superfast broadband, and it is absolutely understandable that they are irritated. Those voices obviously grow louder as superfast broadband spreads, and as more people have access to this fantastic technology.

I got involved in the debate about business rates for broadband many years ago. In fact, when I was in opposition, I used to tease the then telecoms Minister, the right hon. Member for East Ham (Stephen Timms). I came up with an Opposition policy to reduce or eliminate business rates on telecoms infrastructure because every provider I went to told me that business rates were a big impediment to investment. I challenged the then Minister, asking him what on earth he was going to do about that, because the Valuation Office Agency was in charge of the business rates and it was the Minister's job to take the agency by the scruff of the neck and sort the situation out. Of course, when I got into office, I realised that there was absolutely nothing I could do about it. The Valuation Office Agency is independent. It decides the level of business rates and it certainly sees off any Minister who tries to alter its independence or affect its judgment—quite right too.

The other row we had was about the fact that BT apparently gets a better deal on its business rates compared with some of the smaller providers. My understanding is that that is because of a long-standing court case brought by BT. BT also has much more infrastructure in the ground, so it is able to cut a wholesale deal with the Valuation Office Agency, but it is much more difficult for small providers that are getting under way. It is one of those unfortunate things. The point that I am trying to make, in my own rambling fashion, is that the impact of business rates on investment in broadband infrastructure is real. It is one of the factors that people take into account when they are trying to build infrastructure. The Bill is a very welcome measure to address that problem.

Madam Deputy Speaker, I do not know if you have actually read the Bill, but it is the most boring and technical Bill that I have ever read. There are only six clauses. I saw six officials sitting in the Box and wondered whether each had been given a clause, because the chance of making it to the end of drafting even one clause is almost impossible. I do not know whether any of my hon. Friends suffer from insomnia under the stress of doing this job. If so, I strongly recommend that they take the Bill home; they will be sound asleep by halfway through clause 1. However, I understand the thrust of the Bill, which aims to encourage new investment in broadband infrastructure by suspending the levying of business rates. That is the best way to do it, and the Government have calculated that something like £60 million of savings could be made.

I echo what the Minister said at the Dispatch Box. I hope that all new infrastructure providers—people have mentioned companies such as Gigaclear and CityFibre—will take advantage of this. The Bill is aimed squarely at them to remove a financial barrier to further investment. The Government are trying to move to the next phase of broadband roll-out. The key task of the previous Parliament was to get workable broadband with speeds of about 24 megabits to as many people as possible.

That has pretty much been completed. I understand that, under the universal service obligation, people in the last 5% of premises might get lower, but still workable, speeds. We are starting to build the future-proofed infrastructure to deliver fast and reliable broadband at speeds of above 30 megabits. Those are the kinds of broadband speeds that we will be able to dial up as more people make use of the technology. We all know—this does not need to be rehearsed—how much technology and data are now used, and the kind of bandwidth needed for the average home with two teenagers and parents watching 4K content, let alone for somewhere with business needs.

Planning is a much bigger impediment than business rates. A lot of people forget that. They think it is easy to build this infrastructure, but it is not at all. One comes across far too many cases of councils not being co-ordinated. There are cases of broadband providers having to go to five different council departments to get permission for way leaves, to dig up the highway and all the other permissions they need to build this infrastructure. We really need to get to grips with this in some shape or fashion.

In the spirit of co-operation that the Prime Minister announced this morning, let me suggest that the Labour Front Benchers talk to the Mayor of London. There must be an opportunity for him to set up a broadband taskforce to get all the London boroughs to co-ordinate their planning. I have heard of councils—it does not really matter what political colour they are—not granting way leaves to providers who wanted to provide broadband for social housing in London. I have heard of councils that did not want the green boxes on their pavements because they did not like the design. I have come across councils that refused to let broadband providers go ahead with future work, because they did not clear up after their previous work. Now, I understand councils' irritation, but they are still holding things back. It is an incredibly dull point, but there must be an opportunity to co-ordinate the planning functions of the London boroughs, as well as of councils across the country.

Michael Tomlinson: May I disagree vigorously with my right hon. Friend by saying that it is not a boring point? It is actually very important that these companies clear up after themselves, because it causes reputational damage when they try to deliver superfast broadband and leave a mess behind. That does cause concern to residents, and it has caused concern in my constituency. He may say that it is a bit of a dull point, but it is important for companies to get things right so that they can be encouraged to do more in future.

Mr Vaizey: I thank my hon. Friend for that point. In fact, although I welcome Virgin Media's investment in cable in Didcot, the company has irritated quite a few of my constituents on the Ladygrove estate, so he is right that companies should clear up after themselves. I suppose I did not make myself entirely clear; my point was that, while councils should hold companies to account, their retribution should not be, "You can't do any more work," because they would be punishing constituents for companies' past transgression.

Clearly, the Government want to encourage full fibre—fibre to the premises. It is true that we are falling behind some other countries. Spain, for example, is well advanced, but that is an historical advantage, because the infrastructure

was put in 30 years ago, with extraordinary foresight. One also has to remember the topography of the built environment, because the more apartment blocks—as opposed to spread-out domestic homes—there are, the easier it is to deliver broadband quickly.

One should also not necessarily be seduced by statistics. Members might see, for example, that France is ahead of us in terms of fibre to the premises, but that fibre is in the same place as fibre to the cabinet, so very few people take it up, and a lot of people would say that it is wasted investment. The incremental approach taken in the UK so far—of getting universal coverage for superfast broadband and then moving on to fibre to the premises—is the right approach, because it keeps pace with customer demand. That is what has to happen.

The good news about fibre to the premises is that the cost of investment is coming down rapidly. TalkTalk has conducted trials in York, and what has happened is telling. The company has got the cost of connecting each home down to a few hundred pounds—£200, £300 or £400, I think. Also, people now talk about the impact on the community—about whether their house is in the green zone, which is where the fibre to the premises is, and people want to be there. Interestingly, customers do not actually care whether they can access 1 gigabit; what they get by having fibre to the premises is an absolutely 100% reliable service, whereas even those of us who have signed up to superfast broadband know that the service can drop out.

This is a very important and welcome Bill. I would simply ask the Minister when he sums up—I do not know whether it will be the Secretary of State or my right hon. Friend the Minister for Digital—to talk a little about whether the Government have considered how this relief impacts on mobile infrastructure. The roll-out of 4G in this country has been very successful, and we should not forget that it has all been done through private investment. When we rail against the mobile operators, we have to remember that they pay us—the taxpayers—by paying in to the Treasury coffers for spectrum, and they then build out their networks, effectively with their own capital. However, they come across the most bizarre planning issues all the time, and although the Minister talked about the electronic communications code, which will help to make mobile planning easier, we could perhaps hear about whether the Bill will apply to the fibre that goes from the masts back to the cabinets, or whether it could be amended so that mobile masts were free from whatever business rates these companies pay.

I would also like to hear how the Bill will encourage the roll-out of 5G, which will potentially transform everything. What we need are small cells dotted throughout the urban environment. The company Arqiva is already trialling a 5G network with its own spectrum. Again, we potentially need a rethink on planning to make it much easier for mobile companies to roll out these small cells. Given the dense coverage companies need, requiring them to get planning permission for these small cells will be a real hindrance to the fast roll-out of 5G.

As I made my remarks, I could tell that I had the full attention of the House. I noticed one or two yawns and a few slightly irritated looks as people thought, "When is this guy going to finish so that I can make my speech about our rotten broadband and get it in my brilliant local paper?" Well, the time is now, because I have finished.

6.35 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): On behalf of my Plaid Cymru colleagues, may I congratulate you, Madam Deputy Speaker, on your election as a Deputy Speaker? We are looking forward to working with you and serving under your guidance for the duration of this Parliament.

I will keep my contribution short, because, to all intents and purposes from a Welsh perspective, this is an enabling Bill. We broadly welcome the provisions outlined in it, which provide powers for Welsh Ministers to award business rates relief to properties used to facilitate the transmission of broadband and mobile communications. This is at least one step in the right direction for my constituents, who have seen little digital dividend from the hundreds of millions of pounds spent on broadband and mobile signal to date.

I do, however, have some concerns about the UK Government's strategy of incentivising only the most advanced technology. As I understand the Bill, the plan in England is to provide 100% business rate relief for technology that supports 5G and ultrafast broadband. As we heard in an earlier intervention, that has a budget of around £60 million, which equates to Barnett consequential for Wales of around £3 million, and that will just go into the general Welsh Government pot. If I have one message for today's debate, it is that it is vital that the Labour Welsh Government ring-fence that cash so that that money is not spent on pet projects.

Some 40% of my constituents are unable to access high-speed internet, and an even greater proportion are unable to get a 3G or 4G mobile phone signal in their homes. It is clear that we have a selective connectivity problem in Carmarthenshire. There is no doubt that that is holding back Carmarthenshire and the Welsh economy. We have no hope of making progress in developing our economy unless we can get to the bottom of the telecommunication infrastructure problems we face. If we were able to do so, I am confident that we would have a bright economic future in Carmarthenshire and in Wales, due to the incredible natural assets we have as a county and a country.

I am fortunate enough to have been born and raised in one of the most beautiful parts of the world, and I have no hesitation in saying that. We have a range of incredible leisure activities. One of the things that I think we will see in the modern workplace is that work and leisure time will become compressed, with people looking to set up their businesses where their leisure activities lie. Those who like horse riding, cycling, mountaineering, canoeing or surfing will find all those incredible leisure activities in abundance in Carmarthenshire, and I am confident that if we were able to deal with the basic telecommunication infrastructure problems we face, we would be able to put forward a very attractive economic package for investors and people looking to set up their businesses in our beautiful county.

While I urge the Welsh Government to use the powers and the Barnett consequential awarded to them through the Bill to incentivise connectivity improvements in Wales, I call on Welsh Ministers to take an alternative approach to that put forward by the UK Government. It is vital that future investment, at a bare minimum, should enable rural Wales to reach a level playing field, before we start subsidising the most advanced technologies.

The connectivity inequality in our nation needs to be eradicated, not entrenched, but I am afraid that we have seen the Government and providers concentrating investment over recent years on easy hits—on the large cities and the large towns in my country—while the more rural areas have been deliberately left behind.

The Welsh Government, via this Bill, must now use these powers and consequential wisely. Rather than only incentivising the most advanced telecommunications technology, it is time that something drastic was done to incentivise the building of telecommunications infrastructure in rural areas such as the communities that I am very fortunate to serve in Carmarthenshire.

6.40 pm

Simon Hoare (North Dorset) (Con): I suppose I should apologise to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones) because the last time I was called to speak in a debate with no time limit, the subject was the local government finance settlement in 2016; I think that his scars have only just about healed. I was starting to take it a bit personally: every time I got called to speak, a new time limit was suddenly imposed, usually shorter than that which had gone before. My neighbour, my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson), has suggested that one is imposed pre-emptively on my getting up to speak, but I hope, Madam Deputy Speaker, that you will resist his *cri de coeur*.

I am not going to talk with the authority of my right hon. Friend the Member for Wantage (Mr Vaizey), because he speaks with great experience about these matters, but I want to make some points. First, I very much welcome this Bill, particularly the fact that it appears to be the result of a collaboration between three important Government Departments—the Department for Communities and Local Government, the Department for Digital, Culture, Media and Sport, and the Treasury. That sort of joined-up working of three Departments coming together to identify a problem and create a solution is to be welcomed, and it signposts a very-likely-successful governmental *modus operandi* for the five years of a Conservative Government that we have ahead of us.

I find myself almost reaching for the smelling salts and some form of remedial medication in agreeing with the Labour Front Bench spokesman, the hon. Member for Denton and Reddish (Andrew Gwynne), although I would probably approach this in a slightly different way. I welcome the proposals in the Bill to help speed up and underscore the importance of the delivery of broadband. In relation to local government, particularly in small shire districts that are always seeking to be more efficient, I hope—indeed, I know—that my hon. Friend the DCLG Minister will be taking the reduction in the funding stream of non-domestic rates to a local authority into consideration as he evolves the new funding settlement for our local councils, which do so much good work to deliver these services. I thought that the hon. Member for Denton and Reddish made that point well, and I am sure it will have been heard on both sides of the House. The delivery of broadband and the delivery of those local council services are important, very often, to exactly the same constituents who need both.

I hope that this Bill and the proposed financial incentive, if that is the correct word, will act as a spur to existing providers to deliver on the notspots that are very prevalent,

particularly, though not exclusively, in our rural areas, where the economic case for delivery is either non-existent or marginal, or where, as a result of further economic investigation, it has fallen outwith the confines and constraints of the initial contract usually agreed between a county council—in the case of Dorset, as with so many—and British Telecom.

My right hon. Friend the Member for Wantage spoke with huge authority and experience, and I do not demur from anything that he said. My right hon. Friend the Minister for Digital talked about the evolving technologies that mean that this will not just be about wire, copper, fibre and so on, as fixed wireless and satellite are playing a part. This has been a long-running debate. I look to my hon. Friend the Member for Boston and Skegness (Matt Warman)—he does not look to me, but I look to him—who has done so much to promote the delivery of rural broadband: so much, in fact, that he has been rewarded by being made a PPS in the Department, which means that he can no longer speak on the subject. This is clearly the route to promotion: talk with authority and knowledge on a subject and then get zipped up and silenced for many years to come. Perhaps that is why I got moved from DEFRA to the Home Office—I do not know.

This subject has knocked around in public and political debate and in the media for a long time, so it is worth while, with your indulgence, Madam Deputy Speaker, pausing for a few moments to remind ourselves of the most enormous strides made in broadband provision for all our constituents and constituencies, urban and rural. Yesterday afternoon, I ordered something online—I am going to tease the House by not saying what the object was—to be delivered to my house tomorrow morning. The sketch writers, and indeed anybody else, may wish to run some sort of book on what it was. All I will say is that it is not something I would have guessed one could have ordered online even three or four years ago. My hon. Friend the Member for Witney (Robert Courts) is looking even more perplexed than usual. I was struck by the huge change that this technology has made, and this Bill helps to underpin its delivery.

From a rural point of view—and what could be more rural than North Dorset?—it is worth re-amplifying the benefits that are derived from fast and superfast broadband and that will be further helped by the contents of this Bill. It was a pleasure to follow the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), who was right to point out, as I do, the huge unlocking of tourism potential in the promotion of hotel rooms, rooms in pubs, visitor attractions and the like, and in interactive tourist information centres in areas where local authorities may have withdrawn from face-to-face, over-the-counter visitor services. It will be absolutely crucial for the farmer in my constituency who is trying to buy or sell stock or make their submission to the Rural Payments Agency to have fast, reliable broadband of a speed and a regularity of service that no longer drops off just as they reach that crucial moment of hitting “send” or loading up that large map.

The issue is also crucial for small and medium-sized businesses. I am thinking of two in my constituency, both of which happen to be based in a small market town called Sturminster Newton: one is Crowdcomms and the other is Harts. Crowdcomms provides online and interactive platforms for large international conferences. It has offices based in Seattle, Sydney, and Sturminster Newton—it is there because the town has 4G.

Harts of Sturminster is one of those wonderful shops, Madam Deputy Speaker, that I know you will cherish and love as I do. It is the sort of shop that you walk into and do not say, “Do you sell?”, but merely ask, “Where can I find?”, because it sells absolutely everything, from powdered egg, to blackout curtains, to knicker elastic and sock gaiters—it is all there. You require none of those things, Madam Deputy Speaker. *[Interruption.]* My right hon. Friend the Member for Wantage says that he now knows what I was ordering, but he would be wrong on all counts.

The shop makes its largest sales from its cookware department online. This is in a small market town that, until a few years ago, had as its main centre of industry the largest calf and livestock—particularly cattle—market in the whole of the south-west. Broadband is transforming local rural economies, creating good-quality, high-tech jobs. It also helps—we forget this at our peril—with the delivery of a whole raft of other things in rural social life, including for small villages that are geographically disconnected and not particularly well served by rural public transport.

We now have faster broadband service provision than has hitherto been the case, which helps with promoting charitable and fundraising events. I remember the frustration on my wife’s face as she tried to download posters for events she was organising for the St Gregory’s parents, teachers and friends association, but that has been transformed by the faster speed. Everybody in North Dorset now knows—as does everybody who reads the *Official Report*—that St Gregory’s summer sizzler event will take place in Marnhull this Friday. Everybody is invited. It is a huge fundraising event for our local school, the promotion of which is better enabled by broadband.

Mr Vaizey: I know more about my hon. Friend’s life now than I did five minutes ago. The entire House still wants him to reveal what he ordered online last week that he could not have ordered four years ago. That is a terrible omission from the tour of his domestic online arrangements.

Simon Hoare: I am going to tantalise the House still further by telling my right hon. Friend that it was inflatable and made of rubber. Before you rule me out of order, Madam Deputy Speaker, I will explain that it is a small, two-man dingy for my elder daughter and me to do a little bit of rowing and mackerel fishing during our summer holidays. Right hon. and hon. Friends may be pleased, disappointed, depressed or made despondent by that explanation.

Wendy Morton: I am reassured.

Simon Hoare: My hon. Friend says that she is relieved that it was something so entirely innocent and innocuous.

Fast broadband, which allows us to watch telly and order online, will of course help address rural isolation, which is particularly significant in an area such as mine. FaceTime and other mechanisms will help keep families together by keeping those intergenerational conversations going when geography means that a weekly visit may not always be appropriate, feasible or affordable.

Towns such as Sturminster are not unique. Glastonbury, which I think is in the constituency of my hon. Friend the Member for Somerton and Frome (David Warburton),

[Simon Hoare]

has lost all of it banks—[*Interruption.*] I am sorry: Glastonbury is in the constituency of my hon. Friend the Member for Wells (James Heapey).

Amanda Milling (Cannock Chase) (Con): My hon. Friend mentions banks on the high street. Several branches in my constituency have shut and one of the arguments I hear is that people can use online banking, which is the very reason we need to ensure that we have excellent broadband facilities.

Simon Hoare: My hon. Friend makes my point far better than I could. She is absolutely right. The town of Sturminster has lost two banks in the past year and will lose its third bank at the end of this year. Private and business customers are told that internet banking is available. That is fine, so long as the speeds and the service are reliable enough to allow them to remember why they logged on and which financial transaction they wanted to undertake. That situation is not unique to my part of the world.

Wendy Morton: I did not use the word “relieved”; I said that I was reassured. Does my hon. Friend agree that rural areas such as Sturminster need a good broadband speed to enable people to access banking services that no longer exist on the high street? That will enable small businesses in particular, including those that are part of the gig economy, to operate in a business environment that does not leave them at a competitive disadvantage compared with those parts of the country that already have good broadband coverage.

Simon Hoare: My hon. Friend is absolutely right. Who among us has not visited an agricultural show or small business that cannot afford the necessary infrastructure for the interconnected pieces that allow people to pay by credit card or contactless? However, by plugging a whizzy device into an iPhone—my right hon. Friend the Minister for Digital and my right hon. Friend the Member for Wantage know all about this, but it baffles me—my credit card can be charged for whatever service I have purchased, thereby helping small and medium-sized businesses. That also helps particularly, though not exclusively, those people who make and sell things from home and do not have commercial premises from which to trade.

The Bill is helpful for all those reasons. It will also help the next generation. Television and other advertisements always focus on getting faster film, the latest cartoon, watching sport and so on, all of which is welcome and laudable. There is also, however, potential for huge learning opportunities for our young people through the delivery of education in a 21st-century setting. That will, I hope, boost and bolster our productivity, and it can all be assisted by superfast and reliable broadband.

Over the past seven years, the Government have made the most enormous strides. We have occasionally beaten up our Ministers and others, saying “I’ve got this village or that hamlet that isn’t covered.” As I said at the start of my speech, this issue is not reserved solely to the rural setting; it is also an issue on the edge of Tech City here in London and elsewhere. However, if we pause and look at the data, we will see that, notwithstanding

some of the problems we have had, we are striding ahead of many of our European friends, who are also our economic and commercial competitors, in providing access to broadband. We should not always beat ourselves up. At a time when we are all being fed the negative and “the anti”, this is something about which the Government should be duly proud, as my right hon. Friend the Member for Wantage has said.

The Bill is a fundamental and very important next step. We hope and believe that it will assist better and faster delivery in our rural areas in North Dorset and across the county of Dorset. It has my full support. The Ministers promoting it have my admiration and encouragement, and I look forward to seeing it make speedy progress through this House.

6.57 pm

Kit Malthouse (North West Hampshire) (Con): It is a pleasure and an honour to follow my comrade and hon. Friend the Member for North Dorset (Simon Hoare).

On my first day in this House, I was told by an older Member that if I wanted to keep something secret I should make a speech about it in the House of Commons. And so it was that on 13 September last year I gave a speech on the subject of this Bill and called for 100% rate relief of new fibre networks. I even went so far as to draft an amendment to the Digital Economy Bill, not to give that rate relief but to require the valuation office to produce an annual report on the impact of the rating system on competition in the telecoms sector. Various players in the industry had presented me with the ridiculous conundrum that it was cheaper for them to rent fibre from BT than to pay the rates bill on putting in new fibre themselves. In their view, that entrenched the near monopoly of BT and gave it an enormous structural advantage, which was basically choking off competition.

I spoke on Second Reading of the Digital Economy Bill, drafted an amendment and had a fruitful conversation with my right hon. Friend the Minister for Digital, who is no longer in his place, who persuaded me that, given some of the other amendments I had tabled, I should leave my proposal to the Government to mull over for some months and that they would give it some serious thought. Imagine my pleasure and surprise, first when it appeared in last year’s autumn statement, and now, even more so, that it has appeared in this Bill. It will provide an enormous boost to competition in the sector. There is no doubt that the asymmetric deal on business rates between BT and new entrants is choking off new investment in large parts of the country. Smaller companies have very little incentive to compete directly with BT; they have to look for areas of the country that are currently unserved or un-commercial in order to try to make their networks pay. As a result, innovation is hard to come by.

BT has been helpful to me and my constituents, as I know it has been to several other Members, and I hope it will take the Bill in the spirit in which it is intended. Those of us who believe in a market economy think that competition is good. We think that it will be better not only for the consumer, but for BT, because it will drive the company to greater innovation, efficiency and, we hope, profit.

The Bill represents a welcome move towards seeing broadband and telecommunications as utilities. Over the past few months, steps have been taken in legislation towards that position. The building regulations have been changed to make the provision of broadband compulsory in new developments. Broadband will, I hope, be provided as a universal service over the next few years, and now non-domestic rates are being lifted on parts of the network. Broadband is increasingly being treated—as water, gas and electricity are—as a vital utility, which is what it is becoming. I am pleased about that development, and I hope that broadband will continue to be viewed increasingly as a utility.

In a constituency such as mine, broadband is incredibly important for a successful, vibrant countryside. If the countryside is to compete with its urban neighbours, it needs to be connected to the world. These days, that social and economic connection takes the form not of roads, dual carriageways or motorways, but of superfast broadband. My constituency, like that of my hon. Friend the Member for North Dorset (Simon Hoare), is peppered with enterprises that do most of their business online. Hon. Members will be pleased to know that on Saturday I attended the Ampport fête and came across a brand new and very pleasing business called Test Valley Gin, a new brand of gin that is taking the market by storm. Kate Griffin, the inventor of this gin, is having some success. The 36 bottles she produces each week are selling like hot cakes, many of them online on a website called thegininstall.co.uk.

Andrew Gwynne: My ears pricked up when the hon. Gentleman mentioned gin. Perhaps, in the interests of cross-party co-operation, he could share some around?

Kit Malthouse: I have to confess that I was so taken with the small sample that I tried—I was driving—that I bought a bottle. Perhaps I will bring one in. I did wonder whether the House of Commons authorities might start serving Test Valley Gin in the bars. It is an excellent drink, infused with a secret recipe of local herbs and spices, and I can recommend it.

Michael Tomlinson: I had the great pleasure of being in my hon. Friend's constituency yesterday, although I beg his forgiveness for not seeking his permission. Hon. Members will be pleased to know that I went purely for a cricket match, and I did not think that I was obligated to seek his permission to play cricket in his wonderful constituency. He is making an important point. Broadband is increasingly important in all our constituencies, and I believe it is as important as road and rail. It is a part of our infrastructure that our constituents just cannot do without.

Kit Malthouse: My hon. Friend is absolutely right. He is very welcome to visit my constituency at any time. In fact, I am surprised that he has only been once recently, and he should come more often. My door is always open.

Ensuring that villages are connected to the world is becoming vital to maintaining rural life. Rural residents find it increasingly ridiculous that they can see broadcast-quality footage of Tim Peake in the international space station but they cannot go online and post complimentary comments on my Facebook page, as my constituents increasingly seem to do.

Simon Hoare: I suggest to my hon. Friend that his constituents might wish to do the former more often than the latter.

Kit Malthouse: I think that is rather churlish of my hon. Friend, given how complimentary I have been about him. I hope that one day I will reach the level of popularity and name recognition in my constituency that Commander Peake has reached in the world.

Small business is becoming increasingly important in rural areas. Some 25% of small businesses—nearly half a million—are located in rural areas, where they provide lots of employment and create wealth. The Bill points to a wider issue with which the House will have to grapple over the next few years—the hon. Member for Denton and Reddish (Andrew Gwynne) mentioned it—and that is the appropriateness of the business rate system. We are applying a tax first devised in 1572 to a 21st-century economy, much of which exists somewhere in the cloud. The Bill acknowledges at its core the disproportionate impact of business rates on competition in this sector. Those of us who have rural constituencies—indeed, anybody whose constituency contains a high street—understand the disproportionality of business rates for retail businesses, particularly now that more and more people buy things online, as my hon. Friend the Member for North Dorset said. If we are to keep our high streets vibrant, keep our businesses working and maintain the competitiveness of the rural economy against the huge businesses that these days operate from nowhere, I question whether taxing property—frankly, taxing investment and expansion—remains an appropriate way to gather the revenue that we need.

There will come a point, over the next couple of decades, when we have to consider shifting taxation on corporations away from property and profit, and towards turnover. If we taxed the turnover of the large multinationals—the Googles and the Amazons—we would collect more from them than we currently do, but in a fair way. Small shops on the high streets in North West Hampshire compete with corporations that transact in this country, dispatch goods from a second country and book the profits in a third country. We have to think about the asymmetric nature of the taxation of those organisations if we want to create a level playing field for competition.

I welcome the Bill. I welcome the move towards the designation of broadband as a utility and the recognition of the distortive effect of business rates on commerce. I hope that over the next five years or so, many companies will take advantage of the rate relief window. I suspect that at the end of that period it will be somehow extended, and I hope that any such extension will become permanent. I hope that businesses will take advantage of the window and come to North West Hampshire to plaster my entire constituency with broadband fibre, to the cabinet and to the premises, with my pleasure and approval.

7.7 pm

Helen Whately (Faversham and Mid Kent) (Con): Like several Members here, I have the pleasure of representing a beautiful and very rural constituency. In fact, 42% of my constituency is part of an area of outstanding natural beauty. It is a lovely constituency in which to walk, have picnics and spend time. It is fabulous for farming, but less good for connectivity.

[*Helen Whately*]

Over the two-and-a-bit years for which I have been the Member of Parliament for Faversham and Mid Kent, I have received letters—and occasionally emails, if people have managed to get online—from constituents in many villages including Headcorn, Kingswood, Doddington, Eastling, Selling and Sheldwich. Those are all lovely villages, but they struggle with connectivity, and residents have had difficulty getting fast broadband.

In several of those villages, it can be difficult even to get a mobile phone signal. A couple of months ago, during the general election campaign, I was in Headcorn, and I thought I might tweet a picture from Headcorn station. Not only did I not have 4G on my mobile phone, but I did not have any mobile phone signal at all. I could not even make an old-fashioned mobile telephone call or send a text message. There are parts of my constituency, such as that patch of Headcorn, where unless people happen to be with the one operator serving it a little, it is impossible even to make a mobile phone call.

My constituency wants to have better broadband and better mobile phone connections, and that is why I welcome the commitment this Government have been and are making to connectivity across this country. As I mentioned in an intervention, thanks to the Government's programme of rolling out high-speed broadband, 8,432 properties have now got a high-speed broadband connection that would not have had one without the programme. By September 2018, I am expecting about 2,000 more properties to be on high-speed broadband thanks to the programme. That amounts to 25% of the properties in my constituency being connected thanks to this Government's work and commitment to high-speed broadband, and it will get Faversham and Mid Kent up to about 90% of properties being on high-speed broadband.

We are still some way off the 100% level that I would like, so I very much welcome the universal service obligation that is coming into force. I pay tribute to the work of my hon. Friend the Member for Boston and Skegness (Matt Warman) in campaigning very hard to put that into law. I also welcome the commitment made earlier by my right hon. Friend the Minister from the Dispatch Box that the financial cap will be high enough to make sure that 100% of properties in constituencies such as mine receive access to broadband of at least 10 megabits per second. That is not the high speed that we hope will be delivered by the Bill, but for those who have no or incredibly slow broadband at the moment, 10 megabits per second will make a great difference.

All of us who represent rural constituencies know the difference between the haves and the have-nots on broadband, but having high-speed broadband is genuinely life changing. It enables us to do things that we now consider everyday functions of life, and whether it is sending emails, booking tickets or flights online, choosing hotels or B&Bs, comparing offers on travel insurance or car insurance, or shopping for groceries, there is so much that those of us with high-speed broadband take for granted. However, in my constituency, some people still do not even have such access.

Mr Ranil Jayawardena (North East Hampshire) (Con): Will my hon. Friend not add watching BBC Parliament so that all her constituents in Faversham and Mid Kent can see her excellent speech?

Helen Whately: I thank my hon. Friend very much, although I doubt whether even one of my constituents is watching my speech. I will not hold my breath while waiting for confirmation.

We know that children, including mine, often get set homework tasks requiring them to look up things on the internet. If a child lives in a rural village or at the end of a track and they cannot get online, they are disadvantaged. There is also the very basic thing of staying in touch with distant relatives, who often live all around the world. I remember when I was a child that the cost of making an international call was enormous. During my gap year as an 18-year-old, I made two phone calls to my parents in nine months, because it cost such a huge amount to phone home, but people can now make video calls basically for nothing so families around the world can stay in touch. As older people go online—many people in their 70s, 80s and 90s are very active internet users—I hope that the internet will be one way in which we can tackle the challenge of loneliness. For someone to make a FaceTime call to their grandma or grandpa is a great way for them to keep in touch, and that is often much easier if it is very difficult to go to see them.

There is also the question of the use of the internet for work, where it can make a huge difference for rural areas, as it does for the economy in general. It enables people to work from home—I have two caseworkers who do most of their work supporting me and my constituents from home, which enables them to juggle that work and their family commitments—and I know that a huge number of people in my constituency now run businesses from home, including many quite significant rural businesses. There is a fabulous business called Bombus around the corner from where I live just outside Faversham, which makes amazing products out of maps. If any hon. Members want interesting products based on maps of their constituencies, I recommend that they contact Bombus to get all sorts of books, paper goods and lampshades. On the other side of my constituency, near Maidstone, a business enabling people to compare utility prices has about 100 employees in a really rural spot. There is no way in which that business could exist without good broadband, so it is very important for the rural economy.

We have got to this point very quickly. About 12 years ago I worked at AOL Time Warner launching digital products, such as the UK's first video on-demand service for downloading films. Back then, just over 10 years ago, people had to plan ahead: if they wanted to watch a film, they had to start downloading it and then go away, perhaps to cook something for supper, and come back a couple of hours later when enough of it had downloaded to enable them to watch it, if they were lucky, although it may well have stopped downloading halfway through. We probably launched the product a little ahead of what the technology could do. Now, however, my children sit down in front of the television on a Sunday morning, when I am trying to catch up on some sleep, turn on the iPlayer and watch something immediately, with none of that delay. That change has turned watching television into a completely different experience.

I welcome the Government's commitment to this area, but I very much ask them to press on with making sure that we get high-speed broadband to 100% of properties across constituencies such as mine. I also ask

them to make sure that the new technologies enabled by the Bill such as 5G and full-fibre broadband—I will now turn to the Bill—benefit those not only in more urban areas of the country, but in rural areas. I would ask that as far as possible that should not be a simple sequential process, with the people of Headcorn being able, if they are lucky, to make a phone call and then getting 3G, 4G and eventually 5G sometime in the distant future. I am very keen for some leapfrogging so that those in more rural areas can catch up thanks to new forms of technology.

It is particularly important for the Bill to go ahead, with investment in these new technologies, in the challenging economic climate and the challenging economic times in which we live. I am very mindful of the ageing population in this country. We have talked a lot during the past couple of weeks about the cost of the public sector and the desire to increase the pay of people working in the public sector. We know that as a country we face a productivity challenge in that we are not nearly as productive as we need to be for people to have a good or a better standard of living, and we face global competition. I am pretty realistic in saying that—unfortunately, unlike the hon. Member for Denton and Reddish (Andrew Gwynne), who wishes to raise business rates and thinks, erroneously, that that will increase revenue to spend on public services—history tells us that, as we very well know, increasing business rates results in a fall in revenue.

Andrew Gwynne *rose*—

Helen Whately: As the hon. Gentleman gave way to me, I will give way to him.

Andrew Gwynne: I merely wish to correct the record: at no stage have either I or the Labour party said that we want to increase business rates. We want a small increase in corporation tax, which would still result in our having one of the lowest rates of corporation tax in the world.

Helen Whately: I appreciate the hon. Gentleman's putting the record straight, because I made an error in my notes. Instead of business rates, I meant to say corporation tax. We disagreed about this point earlier. My point about corporation tax stands. Unfortunately, raising corporation tax results in a reduction in revenue for the Government, as my hon. Friend the Member for North West Hampshire (Kit Malthouse) pointed out.

James Cartlidge (South Suffolk) (Con): My hon. Friend is making an excellent speech. Was she as shocked as I was to hear the shadow Secretary of State refer to a “small” increase in corporation tax, because the rate Labour would move it to would be almost a 50% increase on the 17% rate that we will have?

Helen Whately: My hon. Friend is absolutely right. This point really is significant because as corporation tax rates come down below 20%, businesses behave differently. Businesses are more likely to locate in this country, to invest in their businesses in this country and to create jobs, which is what my constituents and, I am sure, the constituents of the hon. Member for Denton and Reddish want. That also generates the revenue that is paid in taxes to fund public services.

Jim McMahon (Oldham West and Royton) (Lab/Co-op): On the subject of large increases, given that the hon. Lady would be outraged by a 50% increase, she must be absolutely distraught at the business rates revaluation, which has seen some business rates go up by 200%.

Helen Whately: In some respects, the hon. Gentleman and I may agree, although not on the specifics of his point. As other hon. Members have said, the business rates system does need a further look. For instance, I am unhappy with the way business rates tend to penalise high street shops in some of my smaller towns. The largest employer in my constituency is a brewer, and pubs have struggled with some of the increases in business rates. However, I recognise the efforts that the Chancellor made following lobbying by me and other Members of Parliament to help pubs with the changes to business rates. There is no question but that there is further work to be done on business rates, and that has been acknowledged by the Government.

Michael Tomlinson: May I take my hon. Friend back to corporation tax? She is absolutely right that the reduction in the rate has seen an increase in tax take. Surely the important thing is to look not at the tax rate, but at the tax take—how much tax is actually raised. The final point she made about jobs is crucial. We see record levels of employment across all our constituencies, which is to be welcomed. That has happened because businesses want to expand and take on more people.

Helen Whately: I thank my hon. Friend for that intervention. I will return to the content of the Bill in a moment, Madam Deputy Speaker, but I am spending a little time on corporation tax because the hon. Member for Denton and Reddish spent some time talking about it. It is important that Government Members make it clear that we are absolutely committed to raising revenue for public services. The last thing we want to see is tax changes that gain the right headlines but have the wrong effect on the bottom line from the Government's point of view. We are absolutely committed to making sure that we can raise revenue for public services, about which we care very much, but we recognise that, to do so, we must have a tax environment that is supportive to businesses, because they are what provides the jobs and the economic growth.

On economic growth and people working harder to keep up their standard of living, as an economy, we need to be more productive and technology is the crucial enabler in that. That is exactly what the Bill will support. For instance, 5G as a technology is and will be a great enabler of the internet of things. Every second around the world, 127 devices are newly connected to the internet. That rate will surely increase, so the demand for connectivity and the ability to carry large volumes of data will only go up.

It is vital that we are at the forefront of that. In fact, 5G is forecast to boost economic value by \$4 trillion to \$11 trillion globally by 2020. That is a huge increase in economic value, so it is vital that we as a country take our share of that economic growth. In practice, it will mean developments that allow us to have smart household appliances, driverless cars and, one day, driverless lorries, which for my constituents, who are very unhappy about lorries being parked up in laybys a lot, will be an interesting prospect.

Amanda Milling: My hon. Friend and I both have residents and businesses that face the plight of HGV fly-parking. I know that she, too, is very passionate about this. Does she agree that, as technology advances, we should look at different ways of doing business?

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I am sure that the hon. Member for Faversham and Mid Kent (Helen Whately) will find an ingenious way of relating the intervention by the hon. Member for Cannock Chase (Amanda Milling) precisely to the Bill. I can see a way of doing it and I am sure she will succeed.

Helen Whately: I could see the frown on your face, Madam Deputy Speaker. It might seem like a stretch to go from talking about telecommunications to lorry fly-parking, but as 5G is an enabler of the internet of things and, potentially, of driverless cars and driverless lorries, it might mean that lorry drivers no longer have to take long breaks to sleep. The reason lorries are parked in the laybys of our roads is that the drivers are sleeping because they have to have a compulsory rest before they can keep driving, but we could have lorries without a driver, so the subjects genuinely connect.

To return to what I was planning to talk about, another important potential application of 5G is in healthcare, with wearable devices. For instance, people's heart rate and blood pressure could be tracked. That is very much part of the future of healthcare and preventive healthcare to help us all to look after ourselves. As somebody who is very committed to the NHS and to making sure we have a sustainable NHS and a healthier population, I am keen that we enable such developments in healthcare.

Those are just a handful of examples of what we hope 5G will enable. We hope to be at the forefront of this technology by investing in it.

Michael Tomlinson: My hon. Friend is being very generous with her time, but before she moves away from 5G, I invite her to reflect on this point. It is important not to leave behind those communities that are yet to clock on to 3G and 4G. I am sure that, in her constituency, as in mine, there are areas where people simply cannot access 3G or 4G. Although 5G is to be welcomed, will she join me in calling on the Government to ensure that those areas are not left behind?

Helen Whately: I completely agree. As in his constituency, there are parts of my constituency that do not have 4G, 3G or even enough mobile signal to make a phone call. I am very keen for the Government to intervene to ensure that there is comprehensive mobile phone reception across rural areas. I also hope that we can have a catch-up for those areas, so that they can canter quickly through 3G and 4G and then go straight to 5G.

Vicky Ford (Chelmsford) (Con): While we are on the subject of notspots and blackout areas, does my hon. Friend agree that there are priority areas such as along railway lines? Many of my constituents commute every day and it is so frustrating not even being able to get a phone signal on the railway line. The Bill will enable extra infrastructure, so that we have connected commuters, which is key in the 21st century.

Helen Whately: My hon. Friend has made an important point about the Bill's focus on the infrastructure along routes such as rail lines and motorways, where it will be of particular benefit. My constituency, like hers, contains commuters who would like to be able to do more work on the train, and the Bill will make that possible.

Full-fibre broadband should bring an end to a problem about which I often hear from BT engineers: the challenge of the "last mile", the old copper wires that are so dated, some of them more than 100 years old. Although that technology has served us very well for many years, it is probably time to move on, so that people can get proper high-speed broadband, especially those who live further away from the cabinet and the traditional infrastructure.

It is right for the Government to support the development of new infrastructure by providing incentives in the form of appropriate conditions for substantial private investment in that infrastructure, which will multiply by many times the investment that they are making with the use of taxpayer funds. The combination of the £400 million digital infrastructure fund and the £60 million business rates relief for which the Bill provides should be wearable for the Government, while also resulting in much more investment in the country's digital infrastructure, which we badly need.

I want to ensure that we reach out to and communicate with younger voters. I say to them, "You may not be watching the Parliament channel on your internet connection, but take note of what is being said." This is an example of the Government's looking ahead to the sort of economy that we need for the future: looking towards investing in the infrastructure that we need, so that we will be able to compete globally, have a modern economy, have innovation and have the kind of jobs and the kind of economy that will give younger workers opportunities for decades to come, and give us the economic growth that we need in order to fund a high standard of living and the public services about which we care so much.

7.32 pm

Matt Warman (Boston and Skegness) (Con): Let me begin by thanking my hon. Friend the Member for North Dorset (Simon Hoare), although he is no longer in the Chamber—and, indeed, my hon. Friend the Member for Faversham and Mid Kent (Helen Whately)—for being so kind about the work that I have done on broadband. When my hon. Friend the Member for North Dorset said that I would not speak in the debate, I was going to leap to my feet like some sort of digital gazelle, but I thought I would keep the House waiting. We have heard several extensive speeches about the many benefits of Government investment in digital infrastructure, but my speech will be somewhat briefer.

My hon. Friend the Member for Faversham and Mid Kent said that some of her constituents were not able to do something as old-fashioned as making a mobile telephone call. Mobile telephone calls are, in our modern world, pretty old-fashioned, but we should not forget that not many years ago they were simply impossible in this place. Since then, we have not only been through the period of the invention of mobile phones; we have been through a period during which all our constituents railed against the installation of mobile phone masts.

Now we have come full circle, and they rail against the absence of mobile phone masts. The digital revolution has thoroughly revolved.

I want to make some brief points about the Bill. It seems obvious to me that, although adopting this approach to encouraging digital infrastructure investment means that the Government are forgoing a certain amount of revenue from business rates, their fostering of digital innovation and infrastructure investment will ensure that the amount they get back through the broader benefits of economic growth is many times greater than the amount that the business rates themselves cost the state and the taxpayer. That strikes me as a definition of the way in which the Government should be using public money, pump-priming economic growth to allow the development of an economy that works in the digital way that, as we have heard, our children will expect, and that all modern businesses already expect.

I commend the Government for taking that approach. It is also commendable that, by giving the relief a five-year term—which my right hon. Friend the Minister hinted could even be extended—they are giving firms an incentive to invest in installing fibre now, even if they do not turn it on, so to speak, for a number of years. I hope that we will secure the economies of scale of broader investment while continuing to benefit from business rate relief on that investment. That can only be a good thing, and it also addresses some of the concerns raised by the industry before the introduction of the Bill.

We should bear in mind that the growth in demand for fibre will only increase. When I was a journalist writing about the launch of the iPlayer—the BBC cunningly launched it in Christmas Day, because it knew that demand would be rather more limited—the BBC did not think for one moment that it would itself be broadcasting in 4K come 2016-17. Still less did it think that we would, as a matter of course, live in households in which half a dozen people wanted to download the 4K streams that broadcasters now routinely provide.

It is no small irony that, by all accounts, when Bazalgette built the London sewers he offered quadruple the capacity that was required in Victorian London. Now we see that that quadruple capacity has been more than exhausted by a growing population, and we should take the same approach when it comes to investing in our digital infrastructure. To point out that a prominent Bazalgette is still involved in the life of our digital nation is not in any way to draw a comparison between sewage and the modern digital output with which he is concerned. The huge benefits provided by the man who brought us “Big Brother” and a host of other programmes are not to be described in that way in the slightest degree. All we can say is that this is clearly a family that has contributed a huge amount to the life of our nation, at every level of our infrastructure.

In this day and age, there is never an excuse for underestimating the amount of digital capacity that we will require. Although 4K may appear to be perfectly adequate for our purposes today, we will look back on it in a number of years and see that it is paltry in comparison with what we will be using on a routine basis, whether that involves virtual reality, driverless cars, or all the technologies that will eradicate the digital scourge of fly-parking mentioned by my hon. Friend the Member for Cannock Chase (Amanda Milling).

We should not only encourage the Government to proceed with the Bill as quickly as possible, but encourage any Government to ensure that this sort of rate relief applies to investment in digital infrastructure, whether mobile or fixed, thus ensuring—following the launch of the iPlayer not so very long ago—that the internet of things that is now coming upon us will be fully served. That will be thanks to the investment of Governments such as this.

7.39 pm

Amanda Milling (Cannock Chase) (Con): It is an honour to follow my hon. Friend the Member for Boston and Skegness (Matt Warman), who is a real expert in this field, as he has demonstrated tonight. I have to admit that I am a technology dinosaur; when it comes to communications, if I have a choice between email, text or telephone, I will choose an actual conversation every single time. It takes an awful lot less time to pick up the phone and have a conversation one to one than to compose lengthy emails that often can take hours to construct by virtue of the need to check the content and tone, or to correspond via text messages; at present I have about eight text messages building up, and I will no doubt forget to respond to all of them.

I welcome this Bill, which provides business rate relief for new fibre infrastructure. Its measures form part of a wider package that rightly encourages investment in our country’s digital infrastructure and that helps ensure that Britain remains a digital world leader. The Bill will help homes and businesses across the country have faster, more affordable and more reliable broadband connectivity.

We have heard this evening from many Members who represent constituencies very different from mine. Many of their areas are very rural, and we have heard from them about issues of the connectivity of mobile and broadband in rural areas. My constituency is not like that: I have mainly towns and one large village—Cannock, Hednesford, Rugeley and Norton Canes. There is limited rural space in my constituency; my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) is one of my near-neighbours, and I see her nodding, as she recognises what my constituency is like.

I also have a forest in my constituency. If someone is driving through the forest of Cannock Chase and I, as a passenger, am having a phone conversation, the chances are that the phone call will cut off; I must add that I am on wireless, not Bluetooth. This is an issue in the more rural parts of my constituency. The measures in the Bill that make broadband and mobile access much better will be welcomed by people and businesses across the country, including in my constituency.

Wendy Morton: Does my hon. Friend agree that although her constituency, like mine, is not predominantly rural, we can still find notspots—not just in forests and so forth, but in the more built-up areas?

Amanda Milling: My hon. Friend is right, and I will come on to some specific issues later in my speech.

My office is on Market Street in the heart of Hednesford, yet when I am there, more often than not I cannot make telephone calls because I do not have any mobile phone reception. When I am travelling between my office and my home as well, invariably the mobile phone reception falls.

[Amanda Milling]

Why is broadband and mobile access so important? As Members have said, it is key to family and our daily lives. We can keep in contact with our friends across the world through Facebook and social media. We have talked about the closure of high street bank branches across the country because people are increasingly doing their banking online, but they need excellent online access to be able to do that. I am not sure that any Members have mentioned being able to switch energy suppliers. We talk about people trying to get better rates for their gas and electricity, and that is often best done by looking at online portals. If people do not have good internet access, the range of deals they can get is restricted.

We have talked about watching television, too. Personally, I just switch the TV on; that goes back to my being a bit of a dinosaur. Many people, however, use iPlayer and on-demand services. My mother, for instance, has never used a computer, but a few years ago we got her iPlayer and she is absolutely reliant on it for communicating with people and watching television, but she has to have excellent broadband access to do that.

I want to raise some specific issues in terms of broadband access and the roll-out of full fibre connectivity. A number of my constituents live on a new housing development called Chasewater Grange, and they complain of painfully slow broadband speeds. It is a new Taylor Wimpey development on the edge of Norton Canes. There are about 130 houses. Despite being billed as a superb collection of high-quality homes, with a mix of house types to suite a range of tastes, including three and four-bedroom homes, all with easy access to local amenities—which I fully support; they are fantastic, and it is a fantastic development—the one thing the local residents do not enjoy is fast and reliable broadband access.

On building a new housing scheme, developers install gas, electricity and water as a matter of course, but we are now in a time when broadband is the fourth utility. The provision of superfast broadband should be treated in the same way as the other utilities. The problem is not unique to Chasewater Grange. I have done quite a lot of research on this issue over previous days, and I have been reading endless reports of residents of new developments up and down the country facing similar issues.

My hon. Friend the Member for North West Hampshire (Kit Malthouse) is not in his place at present, but he made the point that this problem has been recognised, and last year an agreement was reached between the Government, Openreach and the Home Builders Federation to ensure that superfast and ultrafast broadband connectivity would be either provided free or co-funded by Openreach to new developments. This has been extended to all developments with more than 30 homes, and connection will be free. We rightly place emphasis on building new homes; we often talk about the issue in the Chamber. So I am pleased that there is recognition that broadband connectivity is as important as the other utilities. Homebuyers expect this.

The issue is particularly important in my constituency, because thousands of new homes are being built all the time. When I drive around the constituency, I never cease to be amazed by the number of new developments. In the Pye Green valley and in Brereton, where I live,

homes are being built all the time, and we must make sure they have access to both the main utilities and also broadband.

The moves made by Openreach and the Home Builders Federation are good news, but they are not going to resolve the issues faced by the residents of Chasewater Grange. I was very pleased to learn last week that that community has made some progress in securing funding from both Openreach and Taylor Wimpey to complete the work to install the fibre-based broadband. However, the residents of Chasewater Grange still face a funding shortfall, and they are communicating at present with Superfast Staffordshire. I hope they succeed in securing some assistance to be able to bridge the gap and ensure that this fibre broadband is connected.

I hope that as a result the residents of Chasewater Grange will soon be able to enjoy the benefits of fast and reliable broadband, and be able to do their banking online, and that the teenagers will be able to do their homework online—I am sure that we would all agree that it is important that they can complete their assignments. I also hope that those residents who want to work from home will be able to do so. The issues relating to broadband speeds are not confined to Chasewater Grange. I know of homes on Sweetbriar Way, for example, that have been waiting years for this connectivity. I also have a small number of rural properties in my constituency, and they are still waiting, too.

I want to turn to a more positive aspect of fast broadband access. The redevelopment of the Rugeley B power station site will present opportunities to tap into existing superfast broadband infrastructure. The power station sits right alongside the west coast main line, which has the superfast broadband network running up the line. Similarly, the canal network in the area has that infrastructure. The power station site benefits from the railway line and the canals; it also has national grid infrastructure. I have described it before in the House as a connectivity crossover, and we need to make the most of it. It presents an ideal opportunity to attract high-tech businesses and advanced manufacturing that can make the most of the infrastructure.

The power station site is huge, and there will also be some homes on it. I have talked about the need to bring broadband infrastructure to the door in new housing developments. The superfast broadband line is very close to this development, and we need to make the most of it—not only for today but for future generations. There is a real opportunity to ensure that the regeneration of this power station site attracts the businesses that will create highly skilled, highly paid jobs for those future generations. As I have said before—and will probably say again to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Nuneaton (Mr Jones)—we need to have ambitious, bold and visionary plans for Rugeley.

There is another site in my constituency that has excellent digital infrastructure, and again, we need to make the most of it. It is the Cannock campus of the South Staffordshire College. It was very disappointing to hear recently that it is to shut owing to falling numbers, because it had received a multi-million pound investment a few years ago, part of which provided it with excellent digital infrastructure. We need to make the most of this site as we look at plans for its future. We need to tap into that digital infrastructure.

I am sure that many other Members want to speak in this important debate, but I want to come back to the Bill that we are discussing tonight. It is part of a wide range of reforms that the Government are undertaking to ensure that we have excellent digital infrastructure across our country. I welcome the Bill. I welcome the fact that it will enable my constituency and others to have faster, more reliable broadband and to enjoy all the benefits that the internet and emails offer us.

7.54 pm

Wendy Morton (Aldridge-Brownhills) (Con): As always, it is a pleasure to follow my constituency neighbour, my hon. Friend the Member for Cannock Chase (Amanda Milling). It is also a pleasure to take part in the debate. Before I get into the detail of my speech, I should like to thank the Minister for Digital, my right hon. Friend the Member for West Suffolk (Matt Hancock), who is no longer in his place, for giving me a comprehensive response to what I thought was a simple, straightforward intervention earlier. I asked him about the five-year limit and the deadline for the business rate relief, which was an important point. If the Bill can incentivise companies to really get behind investment in our digital infrastructure, that will be a good thing. It will have far-reaching benefits.

The Bill made me think of a couple of things. My hon. Friend the Member for Cannock Chase described herself as a “technology dinosaur”, but I would describe myself as a technophobe. The challenges with the internet connection that we have faced here in Parliament in recent weeks have been frustrating, to say the least. All I will say is that it is very handy to have a staff member on your team who is a good bit younger than you are. I have found that they know everything about the internet, and they have been a huge help to me.

I am also reminded of the time, probably 20 to 25 years ago, when we first started to see the internet appear—I use the word “appear” because that is how it felt—and we had our first internet connection. It was a big thing to have the internet at home. I seem to recall that there was no such thing as wireless internet. There was a wire that led from downstairs to upstairs, and we had to plug it in and unplug it. It was impossible for more than one person at a time to be on a computer. How things have changed!

I am also reminded of the first mobile phone that we had. I could not fit it into my quite large handbag. It was almost the size of a brick, and I used to walk around with it. It had an aerial and a handset with a curly cable attached. Again, how things have progressed! Who would have imagined that we would be here this evening talking about 5G—

Andrew Gwynne: Perhaps my nostalgia is greater than the hon. Lady’s, because I believe that my Nokia “brick” was far more reliable than my Apple iPhone has ever been.

Wendy Morton: I bow to the hon. Gentleman’s judgment on that one. Sadly, I did not have much chance to use the “brick”; I seem to my recall that my husband used it more than I did. However, I do have my own iPhone these days, so things have changed. Today, we can stream films into our homes and download music. I have something that I call the boogie box. I can have it in the kitchen or move it around the house, and it picks

up the music from my iPhone. It is just amazing what we can do and how technology has changed our lives. It has also changed business and so many other things.

The Bill is relatively short, but it is very important. It gives effect to one of the commitments on digital communications that were made in last year’s autumn statement. It is also important because it aims to give targeted support to the roll-out of full-fibre broadband connections and 5G mobile communications. Often, when we talk about infrastructure in this place, we are talking about roads, railways or bridges. We are talking about very visible and tangible pieces of infrastructure. That infrastructure obviously matters to the local area, as well as regionally or nationally, but occasionally something that seems small can have a much more far-reaching impact.

This Bill is about a piece of infrastructure that is far less visible. We see the green broadband boxes as we drive round our constituencies, but we cannot see the full-fibre broadband. We will know it is there, however, because we will be able to access it. Although the technology is not visible, the Bill will enable full-fibre broadband to reach across England and Wales to the benefit of residents and businesses across the country and across my constituency.

Many hon. Members have given examples this evening of where broadband makes a difference in their constituencies—an individual household, a small retail business, a large manufacturer in a business park or someone working in the gig economy. Small and medium-sized businesses are the backbone of the local economy in my constituency. Whether in the shops of Aldridge village centre or in one of our many and varied business parks, businesses are creating jobs, driving the investment that is reducing unemployment, and developing skills for today and for the future. Such businesses may use the internet to sell their goods, to order components or materials, or to run their customer service. The internet is now an integral part of business.

Amanda Milling: Access to the internet is as important as electricity. If the lights go out and the power goes off, a manufacturing business will not be able to produce its goods. In the same way, if a business is reliant on the internet, it can grind to a halt without it.

Wendy Morton: My hon. Friend is absolutely right. Before entering this place, I worked in the optical industry, and our business relied on the internet day in, day out for processing orders and for sending stock back to Europe. The minute the internet went down we could do nothing at all, which shows how crucial connectivity is.

The Bill is vital, because under current broadband, superfast broadband and mobile coverage we still get some so-called notspots. We have rightly heard many contributions from hon. Members representing rural constituencies. My constituency does not fall into that category, but I agree with my hon. Friend the Member for Cannock Chase that rural constituencies are not the only ones that are affected. We have notspots in my constituency, and I even find that I have to move around in my own home from time to time to get a mobile connection. Were it not for the wi-fi connection, I would struggle on many a day. I hope that the days of having to lean out of the kitchen window or move to a certain spot in the living room to get some mobile signal will soon be a thing of the past.

[Wendy Morton]

We have heard a lot about businesses and individuals tonight, but this Bill is not just about them. I am thinking of my constituency's many voluntary organisations and charities, many of which provide lifelines to local residents. They too rely on having a good internet connection. Through their webpages, they allow people to get information 24 hours a day. Through the internet, we are able to reach much further than we could in the past.

I want to follow up on something said by some other hon. Members about demographics and age. Access to the internet has the potential to cut across all parts of society. If an older person has good internet access, they can keep in touch with their family through Facebook or FaceTime—things that we did not have a few years ago. If someone has grandchildren living on the other side of the country, or even on the other side of town, and wants to connect with them on a more frequent basis much more cheaply than by using the telephone, that can be facilitated through a good internet connection.

When I go into a school, as all hon. Members do, and have a debate either with primary school children or, more often than not, older secondary school children, the very valid question, "What do the Government do for us as young people?" often comes up. Sitting here today has made me realise that this Bill is an example of something that the Government are doing that will help young people. The younger generation are probably more tech and phone-savvy than all of us here put together—I can certainly speak for myself on that.

Luke Graham (Ochil and South Perthshire) (Con): My hon. Friend will agree that the age disparity between young and old can be bridged through the internet and through proper broadband and mobile connections, particularly in rural constituencies and especially those in Scotland. Although some powers have been devolved—unfortunately no SNP Members are here tonight to speak on such an important issue—I hope that my hon. Friend and the Minister will recognise the important role that Westminster can play in all the nations of the UK by giving funding and offering direction for broadband and mobile.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. This Bill is for England and Wales, not for Scotland. That is the problem, so we need to deal with England and Wales and not drift too far.

Wendy Morton: I am grateful to my hon. Friend the Member for Ochil and South Perthshire (Luke Graham) for making that valuable point. I am sure that I will be corrected if I am wrong, but although this Bill relates to England and Wales only, Barnett formula consequential will apply, so my new hon. Friend from Scotland made a valid point.

The Bill is about looking to the future. It is about developing infrastructure, so that we can take our country forwards. As we seek to develop new relationships and partnerships in a post-Brexit world, the Bill will make connectivity around the world so much easier and better.

Turning briefly to business rates, the Bill will enable 100% business rates relief for new full-fibre infrastructure for a period of five years. I hope that that will provide an incentive and encourage the telecommunications

industry to get on with the job of delivering what we in this House want to see. Together with the universal service obligation, I hope that rates relief will make a significant difference to our constituents. I hope that we will make a big contribution towards closing the digital divide that we have heard so much about and that we will get higher-quality, more reliable connectivity in households and businesses. That is what I want in my constituency and what other Members want for theirs. In closing, I am supporting a Government who are investing in our country, in our infrastructure and in the livelihoods and futures of not just today's generation but tomorrow's as well, so I will support the Bill this evening.

8.9 pm

Mr Ranil Jayawardena (North East Hampshire) (Con): It is a pleasure to follow my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), who addressed the substance of this important Bill with her customary attention to detail and her personal reflections on the progress that the internet has made. The change it has made to all our lives has been enormously valuable.

I will address the core of the Bill first, before explaining why it is so important. It is excellent that the Bill will provide for 100% business rates relief for full fibre infrastructure for a five-year period from 1 April 2017, and it is important that that is backdated so that it truly supports telecommunications companies that invest in their fibre network. It is also important that the Government will cover the full costs of that relief. As a former councillor, I know the impact that Government reliefs can have on local government, and it is important to note that the Government have said here that, because of the measure's importance, they will meet the full cost of the relief.

I am grateful to my hon. Friends the Members for Aldridge-Brownhills and for Ochil and South Perthshire (Luke Graham) for mentioning the impact on Scotland. The Bill, of course, has territorial extent to England and Wales, but the Barnett formula applies, so it is important that we recognise how it affects the whole United Kingdom.

As we have heard, constituencies vary across the UK, from tightly packed urban settings to sparser rural settings. Superfast broadband, based on part-fibre, part-copper technology as today, is now available to 93% of premises, which is good progress. My hon. Friend the Member for Aldridge-Brownhills spoke about the progress of the internet, and I recall having a dial-up modem that would beep away before connecting at perhaps 28 kilobits per second—FaceTime or Skype would have been inconceivable in those days. We have made huge progress, and 93% of premises being able to access the part-copper, part-fibre service is good news, but the proposed relief provides—the Minister will correct me if I am wrong—£60 million-worth of support to telecoms companies that invest in their fibre network by installing new fibre lines.

Virgin Media is now part of Liberty Global, which, to deviate slightly, shows the importance of having a competitive corporation tax regime. As has already been noted, a competitive corporation tax regime means a company such as Liberty has invested in Britain and bought Virgin Media, and is now taking it forward. I would have thought that the Bill will boost Virgin

Media's £3 billion "project lightning" network expansion, as well as plans by Openreach, a subsidiary of BT, to increase its investment in fibre optic. The Bill will also help smaller alternative players, which my hon. Friend the Member for North West Hampshire (Kit Malthouse) said were priced out of the market in the past due to the impact of business rates and other competitive and regulatory pressures.

I welcome the Government's aim, through this and other measures, to provide superfast broadband speeds of 24 megabits per second, or more, for at least 95% of the United Kingdom, which is progress beyond what we have achieved to date, but we should go further. That is why I am pleased that the Digital Economy Act 2017 provides for every household to have a legal right to request a fast broadband connection.

Michael Tomlinson: I do not apologise for reinforcing the important point, in case Opposition Members say it has already been made, that 95% coverage still means that 5% of our constituents are left out, so will my hon. Friend join me in pressing the Government to ensure that the service is truly universal? Although we welcome the measures set out in the Bill, we are still speaking up for our constituents, the remaining 5%, who are waiting.

Mr Jayawardena: As ever, my hon. Friend makes an important and cogent point. He is right to champion the interests of all the United Kingdom, which is why the universal service obligation is so important. The obligation, I am sure the Minister will agree, is only the first step towards ensuring that Britain is the most competitive country and is the place where businesses based elsewhere in the world want to do business. As my hon. Friend the Member for Aldridge-Brownhills also noted, that is even more important in a post-Brexit world. We must ensure that we are absolutely match fit and ready to go in the next century, which is why it is important that every household has a legal right to request a fast broadband connection.

As has become customary in our Wednesday exchanges, I will reference points raised by my constituents. This is not a maiden speech, but Hazeley Lea, a lovely part of my constituency, gets less than half a megabit per second, which is totally unacceptable. Worse, residents say that they have too much downtime because the current connection—part-copper, part-fibre—is unreliable. It is not just homes, individuals and families but diversified rural businesses that are affected. One constituent says:

"Just yesterday, I saw a third visit this week by Openreach to my immediate neighbour. I took the opportunity to talk to the engineer on site who confirmed there was a major problem perhaps with old underground cabling to the area simply giving up. He also confirmed that none of the line managers are likely to take this further because of the costs to BT to supply new cabling."

That demonstrates that what the Government are trying to do is right. Not only are they addressing the old underground cabling that is simply giving up—the cabling was introduced many, many years ago for technologies that are now old-fashioned, as my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) said—but they are tackling the costs that apply to businesses through business rates and other regulatory matters. The costs, particularly business rates, have been prohibitive in helping businesses to invest.

I was on a British-American Parliamentary Group visit to Chattanooga, Tennessee, where the weather was almost as good as it has been here recently. Importantly, I found out that a £70 million grant had got local people—the Chattanooga area has a population of just over 500,000—not 24 megabits per second, which is the UK Government's measure of success in this phase of superfast broadband, but 1 gigabit per second through providing fibre to the premises, not just fibre to the cabinet. That is what the Government are trying to do, and it is the way forward.

Coming back across the pond to Stratfield Saye, the seat of the Duke of Wellington, the exchange there is a problem because, at present, the broadband connection given to my constituents, and undoubtedly to the Duke of Wellington, comes from Mortimer across the county boundary in Berkshire, instead of from Bramley in my constituency and the county of Hampshire. Naturally, Bramley is much closer to Stratfield Saye than Mortimer will ever be. Indeed, the length of cabling required from the exchange to the home would be cut in half if the connection were provided from Bramley. That shows the lack of flexibility in the system. We need to ensure that there is the right technology in the right places to serve people in the 21st century, not the convenience of telecommunications operators from the 20th century.

Some people in Bramley are nearer Chineham in the constituency of my right hon. Friend the Member for Basingstoke (Mrs Miller), but none the less they are connected by cables from Bramley. Those cables are actually steel, not copper, because apparently when the cables were installed by BT, then state-owned—I do not know whether the Labour party plans to renationalise BT, too—[*Interruption.*] The hon. Member for Oldham West and Royton (Jim McMahon) says it is a possibility, so perhaps he would like to clarify the matter at the Dispatch Box. The point I was making was that BT simply said, "It is all right, we don't have to face any competition. We'll just shove some steel cabling in there and it doesn't matter what happens to local people." Of course when we were talking about telephone and analogue technology, that was fine, but we are in this new digital age now and we need to make sure people have the right technology to their doorstep. That is why we must tackle this head-on.

I do not want to be totally critical of BT, as it has done a lot of good work in enabling a lot of cabinets and coming up with flexibility in the way those things are delivered. For example, in the parish of Ellisfield in my constituency BT came up with a match funding scheme that said, "If the community can raise some of the money, we will put in the other half." That is a very innovative scheme for a community so rural that it made this commercially unviable to deliver. But therein lies the problem: no one should be penalised for accessing what is now a utility, as my hon. Friend the Member for Cannock Chase (Amanda Milling) rightly said—people should be able to expect this. Charging people £558 per dwelling not only is on the cusp of what BT might ordinarily provide as a commercial arrangement, but it was penalising residents in rural areas for living where they do.

Michael Tomlinson: May I take my hon. Friend from Hampshire to Dorset and endorse what he is saying? He is advocating greater flexibility within BT and saying that although some good work is being done, more

[Michael Tomlinson]

could and should be done. Does he agree that we need flexibility across the piece, not just in Hampshire and his beautiful constituency, so that where difficult rural issues arise, sensible solutions are found?

Mr Jayawardena: My hon. Friend makes an important further contribution to this debate and is right in what he says. Let me take him back to the further remarks from my neighbour, my hon. Friend the Member for North West Hampshire, who pointed out that Brexit provides an opportunity, because EU state aid legislation got in the way of allowing local communities to come up with solutions. When I was a local councillor, we introduced CITI—the communications improvement and technology infrastructure fund—which was a new way of providing match funding from the borough council, but it was then ruled out of order because it was deemed “state aid”. Not only had we, through careful management, kept council tax down and not increased it, by using the excellent initiatives from this Government on match funding and helping local councils keep council tax down, but the money that we had saved and that we wanted to put to good use for the residents of Basingstoke and Deane in north Hampshire could not be used because of state aid rules. So we must tackle these things and we must deliver those solutions for local people.

Robert Courts (Witney) (Con): I am grateful to my hon. Friend for the important points he is making about the combination of local government and local IT companies. We have a similar situation in west Oxfordshire, where we have a number of excellent companies. Does he agree that through good local governance and providing freedom for local companies, with sensibly managed local finance, we can find the solution to the internet shortages—the notspots we have been talking about?

Mr Jayawardena: I thank my hon. Friend for that point. He is right: this is all part of the competitive nature that we need to try to ensure is supported. We need to provide local solutions to local problems. Mr Deputy Speaker, I am sure you are aware that Hampshire County Council has been working to go beyond 96% connectivity—[*Interruption.*] If you were not aware before, you are now. That could be met if we allowed local firms to meet that 4% shortfall. If we allowed local firms to bid for further funding from the state, unhindered by EU state aid rules—indeed, instead, further supported by these business rates initiatives—we would close that 4% gap without a shadow of a doubt.

Let me turn from BT, which has had a great benefit from the current business rate arrangements, to Virgin Media, which should benefit from this. I outlined that earlier, but it is important to talk a little more about it to outline the importance of the issue to a British company based in my constituency; it has its corporate headquarters in Hook. It has run a competition, through its own commercial judgment, to supercharge local communities. Although the company has not yet supercharged Hook, which is where it is based—I hope it is listening and will do so shortly—it has agreed to supercharge Hartley Wintney and Phoenix Green, just down the road. That means that those places will have

ultrafast fibre to the premises very shortly, which is good news because residents there will get a head start on what the Government aspire for the whole of the country to receive. Those residents will receive fibre to the premises, which means they will be eligible to get the 1 gigabit per second telecommunications connectivity that is critical for the future.

Businesses will benefit as well—this is not confined to households. In Yateley in my constituency, Samsung has its European quality control centre. If we want those technical businesses to be based in constituencies such as mine, we need to ensure they have the connectivity to match. Samsung being the technical giant that it is, it needs that more than perhaps anyone else. It is therefore brilliant news to hear that these business rates initiatives will be introduced.

This is not just about the giants; it is also about the smaller businesses. Fleet, the biggest town in my constituency, has a business called CV-Library. It was set up in 2000, in the dotcom boom era. Although that was a very different internet era, that remains an internet business and it is very successful. It was set up by a young carpet fitter who was looking for work and it is now the UK’s third biggest jobs board. Of course it has thrived on the great number of new jobs created under the economic management of this Government, and it is one of the top 500 most visited websites in the UK. So we are talking about a well reputed website.

That small business has come a long way, with Resume-Library allowing it to operate in the United States, and it is now thriving as an international business. Again, as with Samsung, if we want such businesses to be based outside the main towns and cities—outside London and across the country, ensuring that we create an economy of the nations and regions, not just of London—we need connectivity that serves businesses such as CV-Library and allows them to thrive and to connect with the world, as CV-Library has done with Resume-Library and will, I am sure, do in future. Incidentally, it was the first jobs website to allow people to apply for jobs on a mobile phone. I shall come back to that important point in a moment.

One resident in Bramley told me that he found it

“incredible that we are surrounded by much better services and yet it appears that we are unable to access these.”

People such as that resident from Bramley are used to going on their mobile phone and connecting to 4G, yet in their house they cannot connect to a decent fixed-broadband service. He also said:

“I have been told by BT that it is not possible to switch exchanges”

from one to another

“as this is ‘too difficult’”.

In the mobile age, when people can go about their daily business while they walk to work, it is not acceptable for something to be simply too difficult for a monopoly provider. We must do better, and the Government are.

It is important that the 100% business rates relief is focused on encouraging the full-fibre initiative and getting that to the premises. Indeed, the digital infrastructure investment fund has also been designed as an incentive. Traditionally, it has been difficult to finance digital infrastructure investment in Britain because the industry has been relatively young. The lack of certainty about future demand has made investment difficult to secure.

I hope that the digital infrastructure investment fund, along with business rates initiatives such as the one in the Bill, will ignite interest, so that private finance will invest in this important sector. Digital infrastructure is a critical part of our infrastructure, like roads and rail, so I hope that the private interest we really need will be drawn in. As my hon. Friend the Member for Witney (Robert Courts) mentioned, the drawing in of private finance will make the market more competitive and allow local solutions to rise up and meet local people's needs.

Full-fibre networks are so much more resilient than the traditional copper-wire networks. I referred to my constituent in Hazeley Lea who told me that the copper cabling was failing. That is a problem not only for Hazeley Lea and North East Hampshire, but for the whole country, because the internet is delivered to most homes in Britain by underground copper cables. My hon. Friend the Member for Aldridge-Brownhills referred to the green cabinets that people see springing up, and from which bushes are cut away so that they can be enabled for fibre, but the final part of the service is still delivered by copper. The wires can be degraded by distance, as has been the case for my constituents in Stratfield Saye and Hazeley Lea; indeed, the constituents in Bramley who live near Chineham have the problem of the long distance from the exchange in Bramley.

Full-fibre networks seek to run the fibre connections straight to the doors of homes or businesses. I make one plea to the Government, because there is still no capability in planning legislation and the national planning policy framework for local councils to mandate fibre to the premises, which would solve the problem referred to by my hon. Friend the Member for Cannock Chase. They can request it, but the only requirement they can make is that there be a telephone connection to a home. I have been told that, if it is done at scale, particularly on larger developments, the cost difference is marginal, if existent at all. The Government could easily remove that difficulty for councils to mandate fibre, and it would be transformational in the new homes that the Government aspire to build throughout the whole United Kingdom.

Michael Tomlinson: My hon. Friend mentioned the fact that copper wires can be degraded by age and distance, but volume of traffic is also a problem. Does he agree that when, on a Saturday night, for example, a popular programme is on or more people want to be streaming or gaming, the whole system slows down and grinds to a halt? That is also part of the degradation process.

Mr Jayawardena: My hon. Friend is absolutely right that copper's capacity is insufficient for today's challenges. We must make sure that we deal with not only today's challenges but tomorrow's, so we must ensure that there is more fibre than we even need today. We do not want to end up, perhaps in five or 10 years—not a million miles away—with the fibre we install today not being good enough for the challenges of tomorrow.

In turning to the challenges of tomorrow, it is important to consider mobile communication, which is enabled by the fibre broadband that links the mobile masts. Fibre provides the connectivity, via the masts, to users who perhaps want to do their banking on their phones, as

several Members have said. Deploying mobile infrastructure remains challenging at times, particularly in remote locations or among difficult topography. It is important for us to consider the viability of such initiatives as we move from 4G to 5G, and as we do so, perhaps we could find a remedy for those communities that have not even moved to 3G or 4G. We must ensure that those initiatives are viable, so that no one is left behind. Mobile telecommunications can be an excellent way of providing mobile broadband—fast broadband—to rural communities, instead of running fibre to those rural homes. It could be that part of the solution, part of dealing with the final 4%, is to ensure that fibre is run to mobile masts, which are then accessible to those rural communities.

Reducing operating costs is critical to ensure that the potential economic viability of these sites is considered properly. I am sure that the Government will consider that in the deliberation that they will doubtless have in the time ahead. Targeted business rates relief to enable fibre cabling to be rolled out to those hard-to-reach areas would be particularly helpful in notspots that have been badly served by telecoms to date and could be much better served by telecoms in future.

It is important to prioritise sites such as railways and motorways, as mentioned by my hon. Friends the Members for Faversham and Mid Kent (Helen Whately) and for Chelmsford (Vicky Ford). They demonstrated that to have connected commuters, which was the term used by my hon. Friend the Member for Chelmsford, we need fibre to be run alongside railways.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. *[Interruption.]* The hon. Gentleman will have to sit down for a second. We cannot both be on our feet. I have given a lot of leeway, but I do not want to get too involved in 4G, 5G, and telecommunications being passed down motorways and railways, as they have absolutely nothing to do with what we are discussing. I know that you have been asked to filibuster, but do not worry because we have so many more speakers to come and you might deprive them. Come on, Mr Jayawardena.

Mr Jayawardena: Mr Deputy Speaker, filibuster never. I am informing the nation.

Mr Deputy Speaker: Yes, but it has got to be on the subject that we are discussing. We will be talking about cricket next. Come on.

Mr Jayawardena: Thank you, Mr Deputy Speaker.

Mr Jacob Rees-Mogg (North East Somerset) (Con): I am very grateful to my hon. Friend for giving way. Mr Deputy Speaker suggests that this is a filibuster. My hon. Friend has hardly cleared his throat.

Mr Deputy Speaker: The worry is that I have heard too much already.

Mr Jayawardena: Mr Deputy Speaker, you are very, very kind, but I shall be bringing my remarks to a close very shortly.

It is important to recognise that new fibre, which will be rolled out under business rates relief, allows for better mobile connectivity in those hard-to-reach areas.

Chris Elmore (Ogmore) (Lab): The hon. Gentleman makes a very good point on the topic of infrastructure around railways and roads. Does he agree that airports are important and need infrastructure as well?

Mr Deputy Speaker: I have a good suggestion for the House: I think you should put in for an Adjournment debate on that very subject. With two Members, I am sure that you can do the subject justice.

Mr Jayawardena: Mr Deputy Speaker, as ever, you make an excellent suggestion. I will speak to the hon. Gentleman in due course.

As we allow fibre to be rolled out, using this relief, to areas that have not been accessible in the past, it is important to reflect on the way in which people are changing their behaviour. People are moving to mobile. We need to ensure that accessibility to the mobile network—the fibre network—is possible. That is why it is critical that we work with companies such as Network Rail to roll out fibre on its land as well as across other people's land.

As my hon. Friend the Member for Aldridge-Brownhills said, all of this is in stark contrast to the way in which we used to work. It is important that people are helped along this journey. If we want to roll out more fibre, we need to ensure that there is proven demand for it, otherwise it is simply not commercially viable. We need to reduce the operating costs, which we are doing through business rates relief for the roll-out of new fibre. It is good to see the new digital training opportunities that have been created as part of the digital strategy. The new digital skills partnership is seeing Government, business, charities and voluntary organisations come together, which is really positive news. I should declare an interest, so I refer Members to the Register of Members' Financial Interests. A plan by Lloyds Banking Group to give face-to-face digital skills training to 2.5 million people, charities and small businesses by 2020 is a good example of that partnership. Google has pledged to provide five hours of digital skills as part of its commitment, too. The idea has been adopted by business.

The strategy and these plans demonstrate that the Government take businesses and people seriously in rolling out fibre broadband across the country. This is part of the cuts to business rates that benefit all rate payers and will be worth almost £9 billion over the next five years, and it is part of the Government's focus on ensuring that we create an economy that serves the whole country—all the nations and regions. It is about ensuring that the Government are committed to the long-term reform of this country.

Who would have thought that Alibaba and Amazon would be the big retailers of today, not the greengrocer on the high street? Who would have thought that we would have been speaking to people across the world on FaceTime instead of flying across the world to see them? Who would have thought that people would be able to watch this speech on their mobile phone rather than read it, dare I say, in *Hansard*? I am sure that many will.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I have a slight problem. I did not expect to have to bring in a time limit—[*Interruption.*] Seriously. I do not want

to have to introduce a time limit, but we have the summing up in about an hour and there are still five speakers to come, so can we aim at around 12 minutes? If this continues, two speakers will drop off the end, and I certainly would not want that to happen when Members have been sitting here all day. I want to help Members.

8.41 pm

Bim Afolami (Hitchin and Harpenden) (Con): The words will ring in my ears: filibuster never, inform the nation always. That is a lesson for us all.

Mr Deputy Speaker: Order. I will give you an extra lesson—[*Interruption.*] You will have to take your seat for a second, though. You might be informing the nation, but it has to be on the subject we are discussing, otherwise you are out of order.

Bim Afolami: Of course, Mr Deputy Speaker. Thank you very much for that kind reminder.

This Bill matters. As my right hon. Friend the Member for Wantage (Mr Vaizey), the former Minister, mentioned, it is not necessarily the most thrilling Bill. It is relatively short, with six clauses; as a former lawyer, I can appreciate that brevity is often harder than writing something very long, so I admire the draftsmen's ability in putting together something so succinct. The Bill should have strong support not just from the Government but from all parties, as has already been suggested by Opposition speakers.

My constituents in Hitchin and Harpenden, only 30 to 40 miles from central London, face patchy broadband coverage in many areas. I appreciate the point made by my right hon. Friend the Member for Wantage—it is often harder to get broadband in spread out villages and rural areas than in tower blocks and urban areas. It is physically harder; I appreciate that, but the village of Kimpton, slap-bang in the middle of my constituency, has pretty terrible broadband.

Let me give the House some statistics to back my point up. In Kimpton, no residence or business receives superfast broadband. We are in the bottom 7% in the country for average download speed and in the bottom 0.5% for connections of more than 30 megabits per second. There is still a job to do and, with due deference as a new Member of the House, I say to the Government that we still have a job to do connecting up rural areas in our country. We should not forget that.

Huw Merriman (Bexhill and Battle) (Con): As my hon. Friend knows, my 92-year-old aunt lives in Kimpton, and he is speaking eloquently on her behalf. Does he agree that it is most important, particularly in rural areas, that older people living in the community should have access that keeps them engaged with their friends and family?

Bim Afolami: I agree. It is important for people to be connected to friends and family; the converse situation is one of loneliness in many respects. We live in a society that is increasingly atomised, so it is helpful to ensure that older members of society have full digital connectivity. That is another reason why the Bill is important.

At a recent meeting of a local business club in my constituency, a business owner whose business is situated in a rural area just north of Harpenden told me that it takes three days to back up her server, such is the slow download speed. Business rates relief for the installation of full-fibre broadband infrastructure will provide a huge incentive for operators to invest in the broadband network with the latest technology—a point made admirably by several of my hon. Friends, not least my hon. Friend the Member for North East Hampshire (Mr Jayawardena).

It is important to consider why, in the broader sense, it is important to have world-leading digital infrastructure. Why are we all here? I shall offer a few observations. We are effectively going through a new industrial revolution. Technology, powered largely by the internet, is driving a global future. This country needs to be at the heart of that, and rolling out full-fibre broadband is central to the challenge. The Bill will make it easier, enabling small businesses in rural areas such as mine to access the superfast broadband they need. As the Minister said, the Bill will break down barriers to business, which everybody wants—at least on our side of the House.

The Bill shows that the Government can, in limited ways and when the time is right, provide innovative solutions to help to solve some of the biggest problems choking up areas of the economy. We need strongly to support the free market and free enterprise with little Government intervention, unless necessary. The Bill and the Government's actions are bold. We need to be bold enough to use the tools of government to allow the private sector to work more efficiently and incentivise it to provide better results for our constituents, who send us to this place on their behalf, after all.

Business rates relief is welcome, as many hon. Members have said, but I urge the Government to ensure that we do not lose sight of our manifesto commitment to a full review of business rates, and to produce a system that is more fit for purpose. In certain ways, the current system has shown itself to be capricious, cumbersome and, in some senses, frankly unfair.

When discussing a Bill on digital infrastructure, it is appropriate to point out the fundamental asymmetry and unfairness for bricks-and-mortar businesses paying the levy in comparison to the digital technology-based businesses with which they often compete on a day-to-day basis. We all know businesses on our high streets that have this problem. It is important for the House to recognise that many international taxation treaties inhibit the United Kingdom from taking unilateral action on the taxation of global technology businesses because their nature is, indeed, global rather than domestic. Everybody can appreciate the difficulties with that. I urge the Government to look for more international agreement on the issue so that we can start to address the balance of the business rates paid by physical, bricks-and-mortar businesses compared with those paid by their digital cousins and friends.

In staying true to the detail and narrow nature of the Bill, it is incumbent on me briefly to talk about 5G mobile broadband, following on from my hon. Friend the Member for North East Hampshire. Now, this may seem like a dull topic, but I assure Members that it is not—it can be very dull. The reason is that 5G, like 4G or 3G, is something we take for granted; it is just there. We do not think enough about where it comes

from or the work that goes into it. However, 5G will be the enabler for so much technological development in this country.

O2 estimated in a report that 5G infrastructure will be just as pivotal as broadband to the wider economy over the next five to 10 years and will greatly boost British productivity, which all Members of this House should wish to see. The benefits are manifold, from telecare health apps, to smarter cities, to more seamless public services. Those are some of the many benefits that 5G mobile broadband can help to bring about, and I urge Members to support the Bill, which provides some of the digital plumbing that will enable us to bring tangible benefits to our constituents.

To take up a point raised by my hon. Friend the Member for North East Hampshire about 3G and 4G, it is important to note that some areas, especially rural areas, are still not on 3G or 4G—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

Bim Afolami: Mr Deputy Speaker, I am coming to a conclusion.

Mr Deputy Speaker: No, it is not that. I am trying to be helpful. I am bothered about time. I would like us to discuss broadband infrastructure to houses, rather than 3G, 4G and 5G, which is mobile phones. If we were having a debate on mobile telecommunications, it would be brilliant, but we are not. I have allowed a bit of freedom, but I do not want the debate to concentrate on that issue. The hon. Member for North East Hampshire should know better than to lead you on into discussing something I have told him off for.

Michael Tomlinson: On a point of order, Mr Deputy Speaker. Forgive me, but this is my very first point of order, and I am sure you will indulge me as a relatively new Member of Parliament. However, in clause 1, there is reference to mobile phone telecommunication as well as—

Mr Deputy Speaker: Don't worry—I can help you. I am very bothered about the length of time and the number of speakers I am trying to get in, so if we can concentrate on the bolts of what it is about, it will be much easier to get everybody in to speak. The last thing I want to do is not get you in to speak, seeing as you have sat here all day. So I think it is better if I can help the House move along in the area I think we need to discuss. To go back and talk about 3G over 4G is not relevant to today's debate.

Michael Tomlinson *rose*—

Mr Deputy Speaker: I will make the rulings. You can listen to my rulings, and we can have a discussion later if we need to, because I want to hear you speak in a little while.

Bim Afolami: Thank you very much, Mr Deputy Speaker.

In closing, I should say that the Bill is a significant step forward. It helps our country to lead the world in a new industrial revolution based on digital technology. It also shows that this Government, and indeed any Government using their powers effectively, can make

[*Bim Afolami*]

truly positive impacts on people's lives when acting in the right way—in this case, to enable superfast broadband to reach more people more quickly.

8.52 pm

Robert Courts (Witney) (Con): It is a great pleasure to follow the many distinguished speakers in this debate, who have made so many excellent points—particularly my hon. Friend the Member for Hitchin and Harpenden (Bim Afolami), who so eloquently laid out many of the issues that many of us face in our own constituencies.

I have a few brief points to make, but if I may I shall start with a little trip down memory lane. I have recently purchased a new iPhone. In doing so, I remembered the first iPhone I ever bought, which connected to a thing called EDGE—it did not have 3G. Of course, those days are long behind us, and with my new device, I can do a great many tasks I just could not have thought of in those days.

I say that because today is my baby son Henry's first birthday, and I apologise to him in advance, if he ever watches this speech, that I am here, rather than speaking to him. But all is not lost, because, owing to the wonderful invention of mobile phones and the internet, I can take part in the happy day. I can, for example, see him and speak to him on Skype. For his part, he wonders why on earth his father's voice is coming out of a small box my wife is holding in front of him.

I can also see photographs and videos of him opening presents. These presents were, of course, ordered from a well-known, very large internet company—and a gigantic number of them there are, too. His everyday necessities are ordered through the internet; there is no longer a requirement to go to the shop. Indeed, it is possible, although I do not have this system myself, to link up the house so that I could turn the lights up and down in his room if I wished. I could check on his welfare through a webcam that I could view on my mobile phone. The most extraordinary, and perhaps slightly disturbing, thing is that there is a teddy bear in his room—a company called CloudPets produces these—and, using an app on this iPhone, I can go online and record a message so that when he plays with the teddy bear and presses the button on it he can hear my voice. This is lovely, of course, on his first birthday.

However, the internet is not just something to amuse, and perhaps confuse or even slightly frighten, infants; it is of everyday importance for us all. As many hon. Members have rightly said, these days the internet needs to be seen, as it certainly is by the people of Witney and west Oxfordshire, as another essential utility. We all know that we are able to get about by road and by train, and that we are connected to water, electricity and, in some cases, gas. We expect those things now. Once, not so many years ago, the internet was seen as a bit of a luxury that people might want in order to go online and look at websites, but it was not something that they had to do. Now it very much is, because so many services take place online that it is increasingly hard to use them if we wish to telephone. Utility companies, for example, increasingly encourage us to go online, perhaps to pay a bill or change a tariff, rather than ring to speak to a person. It is therefore absolutely critical that everybody has immediate access to these services.

I would like, if I may, to clarify some of the terminology that we have discussed in the course of this debate. We all fall very quickly into the habit of referring to fast broadband, superfast broadband and ultrafast broadband—or full broadband, as it were. Superfast broadband—I appreciate that the House is aware of this, but it is worth dwelling on for a moment—uses fibre-optic cable to get to the cabinet but then, from cabinet to house, only copper. That is an old system that does not carry the data required these days due to attenuation—the breakdown of signal over distance and the physical effect of the current going through the copper. The signal slows down so that even if there is fibre-optic cable running to the cabinet, by the time it gets to the house the user does not necessarily receive anything like superfast coverage. That is why, although I entirely bow to the expertise of my right hon. Friend the Member for Wantage (Mr Vaizey) and thank him, on behalf of constituents, for all the work that he did, there is still a job to do, as I think we would all accept. Superfast broadband is being rolled out across the entire country, but still, in some places, 5% to 10% of people do not have it, never mind anything else. We increasingly need fibre-optic cable running to the property, which enables full-speed broadband all the way.

In my professional life before I was elected, I saw exactly why that is. I know that other hon. Members will feel exactly the same. As a barrister, I would be away at court; the papers are often sent through to barristers at the last minute. They would sometimes be very big bundles, and our clerks would wish to email them to us to save us having to go into chambers to pick them up before going home. If I had been in court in, say, London, and I wanted to go to chambers in Winchester or Oxford before I went home, I would wish to avoid that step. I would have to go to my home in Bladon, a village in Oxfordshire, to look at the email to see whether the papers had been sent to me, but there was not enough broadband speed to download them, so I would have to get into the car, drive into chambers, pick up the physical bundles, and then drive back. All the while, I was wasting time, wasting money, downgrading my productivity, and adding to the traffic and pollution on the roads, all of which was unnecessary. When people write to me, as they frequently do, to say that it is impossible for them to carry out their business, I entirely understand their point, because I have suffered that very same frustration.

West Oxfordshire is full of businesses that operate from home. Before this debate, I had a look through my emails to see how many villages had written to me. Over the course of the brief time I have been a Member of Parliament, I have been contacted by constituents from the Wortons, Spelsbury, Kencot, Lechlade, Bladon, Bampton, Bruern, Filkins, Stanton Harcourt, Chastleton, New Yatt, Sandford St Martin, Fawler, Minster Lovell, Taynton, Langford and Standlake. That is 17 or 18 places in all.

I shall concentrate on the example of Chastleton. A gentleman from the parish meeting wrote to me—I am sure you will be pleased to hear, Mr Deputy Speaker, that he made his point succinctly—to say that Chastleton is lucky to get a speed of 1.5 megabits per second and that that has implications. First, businesses simply cannot work from home or find it very difficult to do so. Secondly, as I have alluded to from my own experience,

it affects traffic flow because people have to either collect items in person or go to their workplace in Oxford, thereby adding to congestion on the A40, which hon. Members will know is a subject that I mention frequently. Thirdly, on education, children who are required to do their homework online simply cannot do so in many cases.

If anything, my correspondent has missed out one of the real drawbacks of the absence of a proper broadband connection, which is its effect on elderly care. My hon. Friend the Member for Hitchin and Harpenden (Bim Afolami) has referred accurately to an atomised society. When we go away to work, in many cases we leave elderly relatives without immediate access to family. It is absolutely crucial that people are able to make contact with loved ones quickly and easily, and to access the necessary services, including online medical advice and transport-booking facilities.

I remember my father going abroad on business trips. He would telephone during the week and we would wait while the signal bounced off the satellite, went around the world and came back again. We are a long way from those days. When I went to work in New Zealand some years ago, I was able to have a video conference with my loved ones at home and it was set up very quickly. That is all well and good. Those powers exist, but only if people have an adequate internet signal, which is clearly necessary for businesses, the elderly, family and care.

I know that many hon. Members represent rural areas where this issue is the chief concern. However, the situation is much the same in cities. The speeds experienced by many householders in Westminster and Lambeth are not much better than those in the rural areas we represent, so let us not think that the issue affects only those of us who have lots of small villages in our area. It affects cities as well. In fact, a lady who lives on Buttercross Lane in my biggest town, Witney, wrote to me to make a point about developers, which has also been made by my hon. Friend the Member for Cannock Chase (Amanda Milling), who is no longer in her place. My correspondent was frustrated that the cabinet is very close but the developers are not required to connect the rest of the properties. That issue clearly causes immense and understandable frustration for my constituent and many others.

The digital economy has contributed about 7% of national output over the past year and has grown three times faster than other areas of the economy, so it is of enormous significance to the economy, particularly in areas such as mine, where so many people work from home, are self-employed and run small businesses. I declare an interest as the chairman of the all-party parliamentary group for small and micro businesses. The issue is very close to my heart.

There have been many bank closures in Carterton. As other hon. Members have said, we are told that that is because people are increasingly using those services online. That is all well and good, provided that they have the ability to do so. Although someone in Carterton might have a strong signal—not everybody does—that is not necessarily the case in the surrounding villages. They need one if they are to pay council tax or do internet shopping.

When I was younger, if I wanted a particular book I had to order it from the local bookshop. It might be sourced from the other side of the world and take

months to arrive. Some of the romance of that has been lost, because we can now order almost anything we want and it will appear in a matter of days or, at most, weeks. That is one of the wonders of the internet age. The same is true of music. Music lovers may remember that once upon a time, if we wanted to listen to a hard-to-find song or album, it was sometimes possible to track it down, but it might have to be ordered from abroad. Now, the many well-known streaming services make it possible to listen to whatever we like immediately, as long as we have a good enough internet service.

Decent, high-speed, ultrafast broadband is absolutely crucial for day-to-day necessities and for business. My hon. Friend the Member for North Dorset (Simon Hoare), who is not in his place, has given us an inkling of what is required in rural economies. In years gone by, the biggest contributor, directly and indirectly, to the economy of Witney and west Oxfordshire was something called the Cotswold Lion. The Cotswold Lion is actually a sheep, and in the not-too-distant past—only 50 or so years ago—the blankets and gloves made from its fleece were the mainstay of Witney's economy. Now, we are looking to unlock tourism. It is essential that those who provide accommodation in bed and breakfasts, and in the great many houses that are available on short lets, can get those properties online.

On Saturday I attended the Witney carnival. At many such events all over west Oxfordshire, people sell things such as art or food products at small stalls. All such businesses are made possible and successful by access to good, fast broadband. Without it, they simply will not work. I apologise for saying it again, as I have done on many occasions in this House, but broadband is not a luxury; it is absolutely essential in this day and age. I entirely agree with west Oxfordshire residents who write to me to point out that they have a slow connection and they ought to have a fast one. They are absolutely right. It is essential in their personal lives and their businesses.

Broadband is entirely necessary for all of industry, in business premises, in home businesses and in the tourism sector. As I have said, a great deal of work has been done. I thank the Government for the work that was done before I came into Parliament and for their continuing efforts to roll out fast broadband across my constituency and beyond, but we must complete the job. I applaud the introduction of a legal right to superfast broadband. Coverage in Witney is about 90%, but we need to work towards 100%. I welcome the package of measures that the Government are introducing, which include the universal service obligation and £400 million towards the digital infrastructure investment fund.

As I said in an intervention on my hon. Friend the Member for North East Hampshire (Mr Jayawardena), I particularly encourage private investment. I am grateful to BT for being proactive in my constituency and trying to connect as many people as possible. With sound money, good local governance, strong local councils and wise investment in flexible, agile and cost-effective local companies—there are several such companies in my constituency—we can provide this full solution.

I will briefly touch on the two clauses in the Bill that I consider to be most relevant. The first of them quite rightly puts business rates relief for broadband alongside the existing relief for small businesses, charitable

[Robert Courts]

organisations and rural businesses. Clause 6 promises that the effect will be more or less immediate, and I applaud that.

My final point—I do not want to test your patience, Mr Deputy Speaker—concerns 5G. I welcome the fact that broadband and mobile telephony will be combined over the coming years. As we seek to bridge the digital divide, we really must fix notspots. I applaud everything that the Government have done towards that, and I hope that the Bill will be given a Second Reading.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Before I call Mr Tomlinson, I want to help him by saying that he might want to take a few pages out of his speech. If hon. Members keep to 10 minutes each, they will all get a chance to speak.

9.9 pm

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am very grateful to you, Mr Deputy Speaker, for your guidance and for your earlier ruling, which has given me the opportunity to speak for 10 minutes, rather than the nine, eight or seven minutes I might otherwise have had.

Mr Deputy Speaker: Order. If it is helpful I can make the limit eight minutes to give someone else more time.

Michael Tomlinson: My meaning is the exact opposite. I am very grateful to you, Mr Deputy Speaker.

It is a great pleasure to follow my hon. Friend the Member for Witney (Robert Courts), for whom I feel great sympathy. I am sure that many of my hon. Friends as well as Opposition Members have been in a similar situation when trying to communicate with members of their family on birthdays, important anniversaries and the like. He and I, as well as my hon. Friend the Member for Hexham (Guy Opperman)—he has arrived in the Chamber at the appropriate moment to hear me say this—were members of the same chambers and therefore in exactly the same situation when trying to download papers attached to an email to make sure that they arrived in court on time.

I warmly welcome the Bill. As we have heard so many hon. Members say, the importance of broadband cannot be overstated. It is as important as road and rail, and is a vital part of our infrastructure. Although I am pleased with the progress the Government are making, I will dwell on one or two brief points about where improvements still need to be made.

I start with words of congratulation, because it is right to acknowledge where the Government are moving in the right direction, and to be able to stand up and say that 93% coverage for superfast broadband is indeed an achievement. I applaud the ambition to achieve 95% coverage by the end of 2017, and I was pleased to hear the Minister say that the Government are on target for that. However, it is frustrating for the 5% who are still left without it. That point has been repeated this evening, but I make no apologies for repeating it again. Many of us who have spoken represent constituents

who are in exactly that position, and I know that a number of my constituents are not consoled by the fact that 95% of the rest of the population have access to superfast broadband while they do not.

I need not dwell on specific internet speeds; suffice it to say that the 1,000 megabits per second lauded in relation to the Bill is to be warmly welcomed, but that figure would be staggering to my many constituents who are struggling with 0.5 to 1 megabits per second and really cannot imagine a speed as vast as 1,000 megabits per second. However, I will, if I may, dwell on two or three brief constituency examples that constituents have raised with me. I must declare an interest in that, in the village of Lytchett Matravers, I am affected by many of the same issues.

The first example involves a constituent who wrote to me expressing great concern about broadband speeds of between 0.5 and 1 megabits per second. As has been said, we use the internet for more and more things these days, including education. My hon. Friend the Member for Faversham and Mid Kent (Helen Whately) mentioned researching points for educational purposes, but it goes further than that because many of our children are asked to do homework based on the internet and purely on the internet; in fact, they have to access the internet to download the homework to do that evening. One constituent wrote to me saying that they have to ration the amount of homework that their family can do, with the children taking it in turns to get on to the computer and complete their homework, because speeds of 0.5 to 1 megabits per second simply do not allow two children to do their homework at one and the same time. The additional point was made that updating software—with Microsoft, people do not get a wonderful DVD or disc to put into the computer these days; they actually have to download it from the internet—simply cannot be done if the speeds are not fast enough.

The second example I was recently given by a constituent involves a rural business. Again, the constituent lives about 100 metres from a different network that is much faster and would allow the business to function properly. As it is, he is struggling on less than 1 megabit per second and has to go to his place of work to download his work. The speeds where he lives simply will not allow it. My hon. Friend the Member for North East Hampshire (Mr Jayawardena) mentioned an example in his constituency in which BT was flexible, but in this case BT has not been flexible enough and will not allow my constituent to change from one exchange to another, despite the distance of merely 50 metres or so.

I am conscious of the time, Mr Deputy Speaker, but I want to make one or two final points about postcodes, if I may. I know that the Minister is soon to jump up to the Dispatch Box, but I want him to take this point on board. Quite often the data are arranged by postcode and the percentages are calculated on that basis. However, some roads have the same postcode but different exchanges. I can think of one example in Dorset where it is claimed people have the potential to access superfast broadband on the basis of the postcode alone, but that is not the case because the one postcode has two separate exchanges.

I warmly welcome the measures in the Bill. It will not solve all the problems overnight. When my constituents look at the full-fibre speeds, with fibre to the door rather than just to the cabinet, of course they applaud them, but they want them and they want them soon.

Thank you, Mr Deputy Speaker, for indulging me and for giving me a full 10 minutes, and I sit down in advance of reaching those 10 minutes.

9.16 pm

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): Thank you, Mr Deputy Speaker, for giving me the opportunity to speak for longer.

It is a pleasure to speak on this Bill tonight, because when I campaigned in the by-election back in December broadband was one of the major issues. Indeed, trying to deliver broadband throughout my constituency is part of the five-point plan on which many hon. Friends helped me campaign back in those winter months.

I agree with my hon. Friend the Member for Witney (Robert Courts) that broadband is essential. That is a relatively new thing. I am not that old, but when I look back to my childhood, I remember there being one BBC computer in a corner of the school that we went to use a class at a time. Only when I got to university did we really start to use the internet and have the ability to send emails. At that stage, we were sending emails only to other people within the university—in my case mostly to the man who is now my husband.

Now, we cannot conceive of how we could possibly live without the internet, whether we are young or old. As my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) said, people need it to be able to do homework. The children of my constituents and my own children have been given homework on Sumdog and other maths applications that they are supposed to do online, but they simply cannot do it with broadband speeds of less than 2 megabits per second. That is affecting the educational opportunities of the children in our most rural constituencies.

Young people in general are having difficulties. When they turn on the television and turn on Sky broadband, for example, they are told they can watch downloads, TV on demand or downloaded films, but they cannot because those things are not available to people who live in many of the rural areas I represent, where download speeds of less than 2 megabits per second are very common.

It is perhaps for business people that the lack of broadband represents the greatest problem. It is a particular problem for small businesses and, in rural areas, for farmers, who have to complete their single farm payments online. Reloading and reloading and reloading that page becomes very wearisome. We are now being asked to complete tax returns online—in fact, we will be asked to do so four times a year. VAT returns are also done online. All this becomes more and more wearisome when we have to do it online and we simply cannot do it. When businesses want to advertise for new employees they do it online and when people apply for those jobs they do it online. All those things cannot be achieved because we do not have access to what is now, in effect, a utility. In many parts of my constituency, it is not possible for families to do their shopping online. They write to me complaining, “We live in the most rural area in the country, and we cannot order our shopping.”

This is, perhaps, of even greater concern to the elderly. Jo Cox founded the Commission on Loneliness to help people in our community, such as the elderly, who are cut off from society. That may be more prevalent in

rural communities than it is in cities. The internet offers elderly people living in such communities the opportunity to be connected to their families through Skype and other methods of communication. It also offers opportunities for telemedicine. At a time when we face challenges in relation to social care and the elderly, telemedicine and the use of the internet to monitor the condition of and check on the wellbeing of an elderly person can enable us to improve our social care offering to people in rural communities, and communities everywhere; but if we do not have the necessary internet resources, we cannot do that.

I welcome the Government’s 93% superfast broadband coverage—we have made great strides in increasing the number of people who have access to this wonder—but for those who do not have access to it, the position has become increasingly frustrating. Some people living in Wellingore wrote to me saying, “We can see the cabinet, but we do not have access to it, because we are on a different exchange, and by the time the signal reaches us from that cabinet, it is so slow as to be virtually useless.” Those people are being supported through the community fibre partnership, and I hope that in time they will be able to benefit from good broadband. The situation is similar in Swaton. A constituent wrote to me saying that they were full of excitement at the sight of the superfast broadband sign with the little box in the corner. It is right outside their house, but they are not connected to it; they are connected to one down the road.

People in Sudbrook—here I must declare an interest, in that Sudbrook happens to be the nearest village to where I live—were originally told that they would have broadband by this September. Unfortunately, however, they have now been told that that will not necessarily happen because of the railway line, although the railway line is not new but has been there for a long time. Their broadband seems to have been indefinitely postponed. It beggars belief that in this day and age something as simple as a branch line should prevent the upgrade of a broadband network.

Overall, I think that the Bill, which will abolish business rates on fibre broadband for five years, will encourage the placement of new fibre lines, and I hope very much that that will happen in the rural components of my constituency. I hope that, in focusing this benefit, the Minister is minded to ensure that providing broadband for people in rural communities who are currently suffering from a lack of access to that vital utility is given a higher priority than increasing broadband speeds from very, very fast to even faster in our cities and town centres.

9.23 pm

Huw Merriman (Bexhill and Battle) (Con): It is a pleasure to be the last Back Bencher to be called in the debate, which has been incredibly interesting, although I think that, at times, the connection between the clauses in the Bill and the contents of speeches was well and truly lost. There was a suggestion that constituents of ours would have been able to watch the debate online. If that is the case, given certain parts of it, I find myself feeling sympathy for the 93% of the public who have such access. My hon. Friend the Member for North East Hampshire (Mr Jayawardena), who is no longer present, said that innovation would permit constituents

[*Huw Merriman*]

to watch the entirety of his speech online. Conservative Members speculated on whether that same innovation would allow the battery in his phone to last quite as long. Perhaps there is still some way to go.

None the less, this has been an interesting debate, and I am delighted to be able to use the last few minutes to further it. Despite great work by my local authority, East Sussex County Council, and indeed by the Government, too many of my constituents do not have a connection to fast broadband. My constituents' age profile is high, and in order to balance our local economy we must encourage more working-age people to come to live and work in East Sussex. It is not too far from London, but, from a commuting perspective, particularly given our travails with Southern rail, it is too far to be attractive to many such younger working-age people. My constituency is fortunate in that 75% of it is designated as an area of outstanding beauty, so in that sense it draws people to want to come there to set up their own businesses, but they will not do so without the connectivity of superfast broadband.

Richard Graham (Gloucester) (Con): My hon. Friend describes a constituency that is different from mine, but in many ways we have similar issues. In Gloucester, we struggle with the black spots that often arise in urban environments. Most of the city is well-covered but there are certain black spots where people cannot access broadband that enables them to work from home. That is similar to the problem that he describes.

Huw Merriman: My hon. Friend is right: urban areas, as well as rural ones, will not continue to regenerate without this problem being fixed.

I welcome the introduction of the Bill and the granting of business rate relief as a result for a five-year period on fibre and 5G installations. That should act as the further incentive that we in my constituency need to provide a fix.

I also welcome the previous Bill's introduction of the new universal service obligation, which, again, should give the last 7% faster broadband. As has been said, this type of connectivity infrastructure is, in the modern age, akin for our constituents to the delivery of a new road or railway in the past. It is vital for the entire economy that we do not leave these constituents behind.

As well as recognising the investment from the Government via this Bill, and previous funding initiatives, I commend Conservative-run East Sussex County Council and Labour-run Brighton and Hove Borough Council for working together to help businesses and properties across East Sussex to access faster broadband. Through their e-Sussex project, my county has allocated £34 million in funding for areas that are too expensive for the market to upgrade itself. Every exchange in East Sussex will be included, and the current project will cover an area of 660 square miles and over 66,500 premises. It will install over 400 new fibre telecoms cabinets and other structures and will lay over 1,000 km of fibre—the distance between Brighton and Berlin.

The first e-Sussex contract is achieving excellent results in bringing better, more reliable fibre broadband to many areas that would not otherwise benefit from upgraded services. However, there remain properties that are hard

to reach—for example, where a property is too far from the upgraded cabinet to benefit from any speed uplift. “Hard to reach” generally means too expensive for the public purse to fund. East Sussex has therefore signed a second contract with BT for further investment, so that an additional 5,000 homes and businesses in East Sussex will be able to access high-speed fibre broadband.

There has been much talk today of political parties coming together over a common interest. Perhaps that local example is a positive illustration of the power of working together.

Richard Graham: Have my hon. Friend's council and the council in Brighton introduced in their planning requirements an absolute requirement on all developers to provide superfast broadband? This is an area where many of our councils around the country could do more, and I would be interested to learn of his experience.

Huw Merriman: I do not believe those councils have, but my hon. Friend touches on another issue. I am referring to East Sussex County Council and Brighton and Hove Borough Council, but outside of Brighton but within East Sussex it is the district councils that would have the planning condition powers to which he refers. Therefore, I doubt that those councils have done so, but this is perhaps a good example of where districts can work better together with their county cousins.

This might seem like great news for East Sussex, but I am afraid we are starting from a very low base in terms of where we are operating from. The recent report by the consumer organisation Which? found that Rother District Council's geographical area, which covers the bulk of the 200 square miles of my constituency, is in the bottom 10 of all districts and boroughs in the entire British Isles for average broadband speeds. Rother joins the highlands, the Shetlands and the Orkney Isles in the bottom 10 performing areas. In contrast, the residents of Tamworth, which tops the list for speeds with an average of 30 megabits per second, are much more fortunate. The average speed for Rother is less than 10 megabits per second.

Bearing in mind that 10 megabits per second is deemed to be the minimum acceptable standard by Ofcom, I very much welcome the Minister's commitment that 100% of my constituents will receive 10 megabits per second by 2020. The Which? report suggests that the increased performance for the Rother District Council area will be vital if the Government are to meet their 100% target. May I therefore put in a blatant invitation to the Minister to meet me to discuss what help could be offered to my constituents in Rother, in addition to the provisions in the Bill and the universal service obligation, to enable me to assist the Government in meeting their target?

In conclusion, I welcome the Bill as part of a package of proactive measures from this Government to deliver faster broadband. I should also mention—notwithstanding the fact that I just said, “in conclusion”—that I welcome the further reforms to the business rate mechanism. I do not wish to wander too far from the topic, but I can think of many examples of business rates having an impact on businesses in which services are being offered. We should not forget, for example, that Members of Parliament are subject to business rates, as I found out to my personal cost when I exceeded my IPSA budget

for my staff office. I therefore absolutely welcome the point made by my hon. Friend the Member for North West Hampshire (Kit Malthouse) that business rates should be linked to turnover, rather than to premises. That would certainly help my constituency. As a further meander, Mr Speaker—

Mr Speaker: I am much enjoying the hon. Gentleman's dilation. There is no prohibition on him dilating a little further if he is minded to do so. He clearly has an expectant audience.

Huw Merriman: You are very kind, Mr Speaker. That is helpful, although I think part of what you said was perhaps inaccurate.

The other point I wanted to mention was corporation tax. I hope Opposition Members will agree that my speech has been quite collaborative so far, but I take issue with some of them on this issue. Conservative Members have pointed out that corporation tax has been reduced, yet the overall yield—the amount that can be put into public services—has increased. For whatever reason, the Opposition want to increase corporation taxes, which would reduce the amount of money available for public services. That is of course illogical.

Mr Rees-Mogg: Will my hon. Friend give way?

Huw Merriman: I will of course give way to a man who is anything but illogical.

Mr Rees-Mogg: I am very grateful to my hon. Friend for giving way. Has he not once again powerfully shown the benefits of the Laffer curve, which demonstrates that lower rates lead to more tax revenue?

Huw Merriman: I thank my hon. Friend for reminding me of the Laffer curve, a term I have not heard since I was doing A-levels at Aylesbury College, where I was studying economics. He is absolutely right.

That brings me to another point about the Opposition. As well as supporting the Bill, it is important to support its aims, which are to increase business, to increase turnover and to increase the amount of money that we can put into public services. I am reminded of a recent visit to Bexhill business park, where the Government are creating funds for a new road. In return, it is hoped that investment will be generated for new businesses to set up there. It is interesting that many businesses from across Europe are looking to set up their headquarters in that business park. At a time when business confidence is perhaps a little uncertain owing to our position with regard to the European Union, it is absolutely essential to ensure that we have the lowest possible corporation tax base, so that those businesses can have every incentive to invest in this country, not just for the short term but for the long term. I am sure that they will be absolutely delighted that this Government have been returned to deliver just that.

In conclusion to my conclusion, I very much welcome the steps that this Government have taken to incentivise further broadband roll-out. I hope that they will help my constituents in Rother, which is, as I have said, in the bottom 10 districts—*[Interruption.]* I repeated that in

case Scottish National party Members did not hear it the first time. I very much look forward to supporting the Bill as it spends its many days in Committee.

9.34 pm

Yvonne Fovargue (Makerfield) (Lab): The Opposition welcome this Bill. It is vital that our homes and businesses have access to broadband and that broadband is faster, safer and more reliable than before, which is why we will be carefully scrutinising the Bill in Committee. As the Chancellor put it, this country was late to the 4G party, so we should do all we can to ensure that the UK is at the forefront of 5G communications and has full-fibre broadband to support it.

There was some doubt that this Bill would appear. The policy was originally announced in the Chancellor's 2016 autumn statement and was due to be implemented as part of the Local Government Finance Bill, but it was then scuppered by the general election—like a lot of things. It was not mentioned in the Queen's Speech, and there was some industry nervousness that it had been abandoned, but here we are in early July with a stand-alone Bill and I am glad that we are.

As we have heard, the Bill has a simple premise—at least I thought it was simple before I attended the start of this debate five hours ago. It will encourage firms to install new optical fibre by providing 100% business rates relief backdated to last April for a minimum period of five years. We understand that it will cost the Exchequer around £65 million by 2022. That is sure to be welcome news to the UK's broadband companies, many of whom wrote to the Chancellor last February to complain that the current business rates regime is not fit for purpose and discourages inward investment in upgrades.

This legislation meets some of those concerns. The fact is that those business leaders were really talking about the whole business rates regime. This Bill deals with just one aspect when we actually need to be talking about the whole system, which many hon. Members from across the House have agreed with. There are many other changes to the system that could help to support businesses, and we outlined some of them in our manifesto, including switching from RPI to CPI indexation, exempting new investment in plant and machinery and ensuring that businesses have access to a proper appeals process. I appreciate that this is a stand-alone bill dealing with digital infrastructure, but I fear that it is no more than a sticking plaster for our moribund business rates system when we really need a total rethink.

This is a framework Bill, so it is short on detail. Conditions of eligibility will be outlined in future regulations, for example, which is why we need to scrutinise the Bill carefully. I do wonder which firms will benefit. The relief is expected to boost the big data providers through, for example, Virgin Media's £3 billion "project lightning" and BT's Openreach subsidiary, but it is unclear whether smaller firms will benefit initially. What impact does the Minister expect the reform to have on smaller providers? It would be a great shame if this Bill was merely for big business. Would it help smaller firms if the Bill's provisions could be applied retrospectively to capture work on full-fibre networks that has already taken place?

[Yvonne Fovargue]

Like many hon. Members, I am worried about how the Bill will benefit Britain's rural communities, who have not done quite so well out of the broadband revolution so far. Many areas of the country, including urban areas, have been dogged by poor connectivity. I could not get broadband speeds for the past seven years in my area, but we were connected just last week because the housing company that built my house did not allow it to be cabled. However, many customers still do not get the advertised speeds that they are paying for. If they want a broadband upgrade, they pay for it, but they do not always receive what is advertised, so I commend the *Which?* report on broadband speeds. We pay our water rates, but if the utility company merely gave us a trickle out of the tap, we would be quick to complain. Many Members have said that broadband is the next utility, so why is that not included?

Businesses have suffered from not having the proper access to markets and customers that they should have. The public have suffered from being cut off from internet sites and entertainment sources, and their children are doubly penalised because so much modern education relies on online resources.

Discussion of digital exclusion has been sadly lacking in this debate. Services are increasingly going online. In fact, jobcentres have recently closed as people are encouraged to apply online for all their benefits and council services, yet many people do not have access. In my constituency in the borough of Wigan, 99% of people have access to fast broadband, but only 74% of them have the skills to use it. The cuts in the adult education budget are particularly penalising those people by preventing them from joining the digital economy that we all enjoy.

As I said at the outset, we support the Bill, which is an important step towards securing better broadband connectivity and access, but it is about more than just access. The Bill can work only if it is part of a broader picture that, on the one hand, fully incentivises business to invest in the future and, on the other, ensures that everyone, not just a select few, benefits from the reforms. More than just this Bill, that means education to ensure that everyone has the skills to take advantage of this great step forward.

9.41 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): We have had an interesting and, at times, wide-ranging debate on this important Bill. It is good to see such interest from Government Back Benchers, but it is slightly disappointing not to hear one speech from an Opposition Back Bencher on such a critical issue across the country.

The improvement of connectivity in the digital age helps individuals in their workplaces and homes, and can transform public services and the economy. Improved connectivity will bring significant economic rewards, with research suggesting that increased broadband speeds alone could add £17 billion to UK output by 2024, which has been recognised by all Members who have spoken today. I thank the many colleagues who made such passionate contributions today, which show that we all recognise the importance of investing in our telecommunications infrastructure.

The Bill will ensure that we help to close the digital divide and get higher quality, more reliable and resilient connectivity to more households and businesses. The Bill makes the technical changes needed to introduce 100% business rates relief for five years for newly installed fibre infrastructure. The importance we place on that relief is shown by how quickly we have introduced the Bill in the Session.

The Chancellor announced at autumn statement 2016 that we would provide relief on new fibre with effect from 1 April 2017. It is therefore vital that we move quickly to reassure the sector that the relief will follow. Investment decisions have been made on the back of the Chancellor's commitment, and it is right that we proceed with the Bill to give us the powers to deliver the promised relief.

The Bill introduces support that forms part of a wider £1 billion package of measures that the Government are putting in place to support investment in digital infrastructure, and it forms an important part of the Government's digital strategy. As such, the Bill will help to maintain the UK's current high ranking as an internet e-commerce economy, as well as providing significant coverage of quick, reliable broadband connections to homes across the country.

I want to mention some of the contributions made in this debate, starting with that of the hon. Member for Denton and Reddish (Andrew Gwynne). He welcomed the Bill and also made the economic case for it. I felt he acknowledged that this Government are investing in the technology of the future. He intimated that the measures in the Bill will favour larger providers, but let me reassure him that, on the contrary, the Bill actually helps the smaller providers and opens up competition. It puts those smaller providers on a more level playing field, and that view was reiterated in several contributions.

The hon. Gentleman mentioned business rate retention, and we are absolutely clear that we want local government to keep more of the taxes that it raises locally. That commitment was in our manifesto and we are looking to follow through on it.

Andrew Gwynne: This is an important point, which I have raised in points of order and through other mechanisms in the past week or so. Will the Minister clarify that it is still the Government's intention to proceed with the measures that were in the Local Government Finance Bill relating to the local retention of business rates, on the same timetable set out, with the changes to the revenue support grant?

Mr Jones: As I said to the hon. Gentleman in my response to his comments, this Government are absolutely committed to allowing local government to keep more of the taxes it raises locally. That was in our manifesto. He made a very important point, not just then, but during his contribution, about local government wanting certainty, but he was using a little faux rage, given that during the time his party was in government, local government had no more than one year of certainty on how it would be funded. Local government currently has a four-year settlement and therefore greater certainty. That said, we are well aware that in the last year of that settlement we need to provide certainty to local government, and it is our intention to do just that.

The hon. Gentleman also mentioned more regular revaluations. I can—

Andrew Gwynne *rose*—

Mr Jones: I am not going to give way; I am going to make some progress. On regular revaluations, I just want to tell the hon. Gentleman that we are committed to the aim of delivering more frequent revaluations. The hon. Member for Makerfield (Yvonne Fovargue) also made the important point about the detail of the measures in the Bill. As she knows, this is a framework and we are going to introduce further regulations to implement the Bill. I can assure her that those regulations will be put forward before the Committee stage, so that hon. Members can scrutinise them during the passage of the Bill.

Andrew Gwynne: On a point of order, Mr Speaker. I have stood at this Dispatch Box on a number of occasions in the past week or so to discuss this important issue; I have asked you how we can get a statement from the Secretary of State or his Ministers. The last time, the Secretary of State did say that we could raise this in a debate. I have asked the question and we have still not got answers. How do we get that certainty for local government?

Mr Speaker: The answer to the hon. Gentleman's question is that if he does not at first succeed, he must try, try again. I am sure that is something his mother taught him when he was at school—when he was a young boy growing up. What I would say to him is, “Persist. Go to the Table Office. Think of the opportunities for different types of questions and, as we approach the summer recess, the relative urgency or emergency of what he seeks.”

Mr Jones: Thank you, Mr Speaker.

Let me move on to contributions made by other right hon. and hon. Members. My right hon. Friend the Member for Wantage (Mr Vaizey) showed his significant knowledge in this area. He welcomed the Bill and, given that significant knowledge, it was good to see him confirm that he thought the Bill would help to incentivise the smaller providers and increase competition in the sector, a point reiterated by my hon. Friend the Member for North West Hampshire (Kit Malthouse).

My right hon. Friend the Member for Wantage also mentioned the impact the Bill would have on our mobile infrastructure and 5G, as well as the need to look at the planning system to ensure that we have the mobile infrastructure we need. I am sure he will be aware that provisions were introduced last November as part of the Digital Economy Act 2017 to speed up the planning process for telecom infrastructure.

The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) welcomed the framework for England and Wales. As he acknowledged, the Bill's framework will allow the devolved Government to take up—or not, as the case may be—the measures. He was right to point out that funding will be provided for Wales through Barnett consequentials.

My hon. Friend the Member for North Dorset (Simon Hoare) made an important point about the potential loss of income for local authorities during the Bill's implementation. I can reassure him that if a network is

on the local rating list, compensation for local government will be provided via a grant to cover the particular local authority's share of the cost of providing the business rate relief.

My hon. Friend the Member for North West Hampshire welcomed the Bill, which I understand fulfils a wish he had during the passage of the 2017 Act. He seemed extremely pleased that the Government have taken up the suggestion to provide this business rate relief.

My hon. Friend the Member for Faversham and Mid Kent (Helen Whately) discussed the Bill's importance in the context of social inclusion and the tackling of loneliness. She referred to rural small businesses that would benefit from the delivery of fibre broadband to their communities.

My hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) recognised that the five-year rate relief period would provide a significant incentive to fibre broadband. Like my hon. Friend the Member for Bexhill and Battle (Huw Merriman), she made the perceptive comment that this type of fibre broadband is becoming as important a part of the nation's infrastructure as our road and rail network.

My hon. Friend the Member for Boston and Skegness (Matt Warman) made an important contribution. He has campaigned tirelessly on this issue and talked about the benefit for the Government, with our investment being returned many times over because of the increased economic activity that will be created.

My hon. Friend the Member for Cannock Chase (Amanda Milling) talked about the importance of having fibre connectivity on new housing estates, citing Chasewater Grange. She also mentioned the opportunity that the fibre roll-out could provide to new industrial developments, and did not forgo the opportunity to mention the Rugeley B power station site, which is extremely important to her and her constituents.

My hon. Friend the Member for North East Hampshire welcomed the Bill and mentioned how, in rural areas such as his, its provisions could well assist with tech jobs that hitherto may not have been deliverable in rural areas.

Ms Nusrat Ghani (Wealden) (Con): The Minister mentions rural areas; could he reference my constituency, Wealden? Broadband is imperative there, not only for the farmers who need to log their files and the teachers who need to do their Ofsted reports, but for the many business throughout the constituency's three towns, Uckfield, Crowborough and Hailsham. We need connectivity in rural areas, and I hope the Minister can comment on that.

Mr Marcus Jones: I concur with my hon. Friend. My hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson) made the same comments in regard to how these types of measures will help those in her constituency engaged in the agricultural industry and farming.

In conclusion, this Bill will help businesses and households with their broadband and support the economy. It is only one of several measures—*[Interruption.]*

Mr Speaker: Order. I am sure that the Minister is very flattered. The House cannot wait to hear more of the oratory.

Mr Marcus Jones: Thank you, Mr Speaker.

[Mr Marcus Jones]

This is one of several measures that we are taking on both broadband and business rates and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

**TELECOMMUNICATIONS INFRASTRUCTURE
(RELIEF FROM NON-DOMESTIC RATES) BILL
(PROGRAMME)**

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill:

Committal

(1) The Bill shall be committed to a Committee of the whole House.

(2) Proceedings in Committee of the whole House shall be taken in the following order: Clauses 1 to 4; the Schedule; Clauses 5 and 6; new Clauses; new Schedules; remaining proceedings on the Bill.

*Proceedings in Committee of the whole House, on
Consideration and up to and including Third Reading*

(3) Proceedings in Committee of the whole House, any proceedings on Consideration and any proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(4) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(5) Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House, to any proceedings on Consideration or to other proceedings up to and including Third Reading.

Other proceedings

(6) Any other proceedings on the Bill may be programmed.—
(Rebecca Harris.)

Question agreed to.

**TELECOMMUNICATIONS INFRASTRUCTURE
(RELIEF FROM NON-DOMESTIC RATES) BILL
(MONEY)**

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Telecommunications Infrastructure (Relief from Non-Domestic Rates) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Rebecca Harris.)*

Question agreed to.

Mr Speaker: Order. If, inexplicably, some Members do not wish to hear the debate on the future of the King George Hospital in Ilford, I hope that they will leave the Chamber quickly and quietly, so that we can hear the oration from the constituency Member of Parliament, and his neighbour, to whom the matter is of great importance.

King George Hospital, Ilford

Motion made, and Question proposed, That this House do now adjourn.—(Rebecca Harris.)

9.56 pm

Mike Gapes (Ilford South) (Lab/Co-op): It is a pleasure to be called before 10 o'clock. I wish to begin by saying that, earlier this evening, I was at a celebration function organised by the Barking, Havering and Redbridge University Hospitals NHS Trust celebrating the fact that, in March, after three years, it came out of special measures. That event was a very good occasion, because it enabled me to get even more up-to-date information before this debate. The trust has published 10 tips on how to climb out of special measures. I am sure that other NHS trusts will find that valuable. It is has also published the booklet "The Only Way is Up", which is original, and it details the strenuous efforts made by all the staff and the management and various people with whom they were engaged in order to achieve that great progress.

I must say that, in my 25 years in this House, I have often had to bring to the attention of the House and the Government problems in the NHS in my area. It is not the first time that I have talked about the future of King George Hospital. Although the hospital, which is one of the two—with Queen's Hospital, Romford—in our trust, is now improving and is under the best management that it has had in 25 years, there are still clouds on the horizon. First, there is, inexplicably, a delay in an announcement about the future of the North East London NHS Treatment Centre where I understand there is some difference of opinion between local clinical commissioning groups. I must declare an interest here: I had an operation on my nose in that facility a few years ago and found it to be very good. There is a very strong argument that that facility could be brought in-house within the NHS, and no longer provided by Care UK. That would allow greater flexibility onsite for longer planning of what might happen at King George Hospital.

Secondly—I referred to clouds on the horizon—there is the ongoing social care crisis, which has impacted very much in my local authority and neighbouring local authorities, linked to the 40% cuts in funding for Redbridge local authority, an ageing population on the one hand and—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Rebecca Harris.)

Mike Gapes: The ongoing social care crisis poses major difficulties. We all know that private care homes are struggling and that there is an issue of quality. It seems to me that one advantage of the King George Hospital site is that it is co-located next door to the facilities of the North East London NHS Foundation Trust's Goodmayes Hospital and various other facilities that provide support for people with learning difficulties and people with acute, severe and less severe mental health problems. It would seem logical, if we are to have joined-up NHS treatment, to have alongside a hospital facilities for those who need short-term, temporary or longer-term care in transition to or from the NHS facilities next door. The site is big enough to do that and, with imagination, could be a model to be followed.

We also have a third cloud on the horizon, which is the north-east London draft sustainability and transformation plan. The Minister will recall that he and I had a very useful meeting in February, along with his then colleague, Mr David Mowat. We had a useful discussion about the implications of the huge deficit in north-east London—£586 million—the potential huge cuts in the budget over the next four years, and the implications they might have. I raised the issue in detail in a debate on 16 December 2016 and that was why I had the meeting with Ministers.

I am very concerned that the funding gap, even if we have predicted regular savings of about £220 million or £240 million in the NHS, would still be £336 million by 2021. One of the most worrying points about the plan—I understand it is still a draft and has not been signed off—is that I went to a meeting last week when the people involved in the organisation considering the plan were discussing it and senior figures in the London NHS referred to it, saying, “You have to work within the basis of the plan.” It has not been signed off or approved, but the people in the NHS health economy in London are thinking ahead as though it will be.

The plan points out that the population of the north-east London boroughs will increase by 18% over the next 15 years, equivalent to a new city. Normally that level of population increase would require a new hospital, but there is no provision, no funding and no expectation of a new hospital. Instead, the proposal is to downgrade King George Hospital in my constituency and take away its accident and emergency department. That is still in the plan, and it is not a new proposal. In fact, I have been campaigning to save the A&E in my constituency for more than 10 years. But the formal decision was taken by the former Health Secretary, Andrew Lansley, only in 2011. That decision, which was linked at the time to a suggestion of closing maternity services at King George Hospital, provided that those two things would happen in around two years. That was in October 2011.

The reality is that maternity services went to Queen’s Hospital in early 2013—I do not question that there have been improvements—but the A&E could not close as there was no capacity at other hospitals in the region. In addition, it was quite clear that it required huge capital investment, which was not forthcoming. The decision was made in 2011, but in 2013 there was no action and the issue was deferred. The trust then went into special measures three years ago because of a variety of issues, which I have already mentioned.

As the trust comes out of special measures, the question becomes whether it will go ahead with the plans to close the A&E. Practically, it is impossible for that closure to happen soon, but the sustainability and transformation plan still states that the intention is to close the A&E in 2019. The original suggestion was that it would stop the 24-hour service, getting rid of the overnight A&E from September this year. That plan was dropped in January, and I welcome that, but the reality is that it is still in the plan and is still proposed. That cloud still hangs over the trust and all its excellent staff, who have done so much to bring our hospital out of special measures.

Wes Streeting (Ilford North) (Lab): I congratulate my hon. Friend on securing this important debate. In my capacity as a Labour councillor in the London Borough

of Redbridge, I currently chair a cross-party working group on the future of A&E provision in north-east London. One frustrating thing is that all the local health leads in the area are working to a decision made by a previous Secretary of State. That ministerial decision still stands and the leads have to work towards it. They do not believe that is achievable or clinically sound. Yet, they point to the Secretary of State when pressed to abandon the plans. I hope that the Minister might be able to reverse that ministerial decision and remove the sword of Damocles from our A&E department.

Mike Gapes: I am grateful for that intervention as it saves me from making the same point. During the election campaign, the Secretary of State went to my hon. Friend’s constituency for a private Conservative party function. He was asked by the local paper, the *Ilford Recorder*, about the plans to close the A&E at King George Hospital. He said that there were no plans to close it in the “foreseeable future”. Now, I do not know how big the crystal ball is. I do not know what kind of telescope the Secretary of State has and which end he is looking through. The fact is that “foreseeable” does not necessarily mean that the A&E will not close in 2019. If it is not going to close in the near future or even in the medium term, why not lift the cloud of uncertainty over the staff and over the planning process? Then we could have a serious look at the draft sustainability and transformation plan for north-east London, which is partly predicated on the closure of A&E at King George Hospital.

In January, the trust wrote a letter saying:

“It is our intention to make the changes by 2019 but please be assured nothing will happen until we are fully satisfied all the necessary resources are in place, including the additional capacity at the neighbouring hospitals, and we have made sure it is safe for our patients. In the meantime, the existing A&E facilities at King George will continue to operate as now.”

The reality is that there is no additional resource in terms of the capital that would be required to provide the beds for 400 patients at King George overall. We face a very uncertain future. If the A&E closed, where would those patients go? There would be a need for capital investment at Queen’s and for big capital investment at Whipps Cross. That would take time and resources, at a time when NHS budgets are seriously pressed. And we still have that huge deficit in our regional health economy.

Why not take that issue off the agenda? Last month, my hon. Friend and I jointly wrote a letter with the leader of Redbridge Council, Councillor Jas Athwal, to the Secretary of State. We requested that he formally reverse the decision taken by his predecessor, to allow certainty and to allow more sensible planning.

Last week, one of our health campaigners, Andy Walker, who put in various questions and freedom of information requests—he is a very persistent campaigner—received a response from the Barking, Havering and Redbridge trust, commenting on this issue. It used the same formulation:

“We have been very clear that no changes will be made until we have the relevant assurances that it is safe to do so and this remains the case.”

That formulation has been used for several years; it is like a stuck record. It is not safe to make the changes. Why not have a new, imaginative approach that says,

[Mike Gapes]

“Let’s look at social care. Let’s look at the potential for developing the site. Let’s look at collaboration between the mental health services of the North East London NHS Foundation Trust. Let’s look at providing particular forms of housing and support.” This area could be a model for a new way forward.

I know from discussions I have had that people in various NHS organisations are working on such possibilities, but they cannot go any further than possible explorations while this cloud—the threat to close the A&E—still lies on the table. If the Secretary of State would take it off the table, we could have some serious discussions about improvements to health facilities. We could deal with not just the A&E but other issues.

On the King George site at the moment, we also have an urgent care centre. It recently had a Care Quality Commission inspection and was rated as “requires improvement”. That is an indication, again, of the problems we face. I have a lot of inadequate GP facilities in my constituency; I have lots of problems with people coming to me complaining that they cannot get through. Primary care in north-east London faces a crisis of retention, recruitment and standards of services. If we could make imaginative use of the facilities at the King George Hospital site, we could make a big difference to primary care, as well as to the acute services and the mental health services next door.

My plea to the Minister and the Government is this: take the closure of the A&E off the table, and let us then work collaboratively to improve the NHS in north-east London and in my constituency.

10.14 pm

The Minister of State, Department of Health (Mr Philip Dunne): It is a pleasure to serve under your chairmanship, Mr Speaker, and to contribute to another debate introduced by the hon. Member for Ilford South (Mike Gapes). I congratulate him on his tenacity in keeping the subject of King George Hospital at the forefront of Health Ministers’ minds in recent years, not least during my tenure. As he rightly said, he and I had a meeting in February with my former colleague, David Mowat, to discuss many of the issues that he has raised this evening. I therefore hope that he will forgive me if he has heard some of my remarks before. I congratulate the hon. Member for Ilford North (Wes Streeting) on joining us. He obviously has experience of these matters as well, given his role in the local council.

I join the hon. Member for Ilford South in paying tribute to the achievement of all the staff and management involved at Barking, Havering and Redbridge University Hospitals NHS Trust in exiting special measures after what has undoubtedly been a long journey for them over the past three years. I was very pleased that they were able to exit special measures in March of this year. That is a huge tribute to everyone involved in ensuring that they were focused on the areas where the CQC had identified what was not best practice. They have focused on improving the deficiencies, and the fact that they were awarded an “improved” rating enabled us to take the decision we did. I also join him in congratulating the quality of management now substantively in place within the trust, at least one of whose members has himself been a beneficiary of treatment locally; I think it was

for a different complaint from the one that the hon. Gentleman was treated for in the intermediate treatment centre. That was a very substantial experience, and all credit to that member of the executive team.

The hon. Gentleman touched on a couple of clouds, as he described them. The first was the intermediate treatment centre, which conducts elective and planned procedures provided by an independent provider, Care UK. As he will appreciate—in fact, this took place under the previous Labour Government, when the independent sector provided capacity to support the NHS in a number of areas—we have had a policy of allowing independent providers to be commissioned to undertake care, and it is a matter for the local commissioners in his area to do so; it is not for me to tell them who are the best providers to be able to undertake care. I am very pleased that he was a beneficiary of some of that care. It will be up to the commissioners, working with the NHS, to decide who is best to provide services in his area as they come up for renewal from time to time.

The hon. Gentleman referred to the social care challenge that exists in north-east London, as it does in many other parts of the country. That is why we decided in the Budget in March this year to inject an additional £1 billion into the adult social care budgets of local authorities across the country and a further £1 billion in the next financial year. Moreover, last week, we announced some measures to scrutinise the performance of local authorities in managing those budgets—in particular, so that they contribute to the patient flow challenge, which we experience in many of our hospitals, including the King George: patients occupying hospital beds in acute settings who have no medical reason to continue to be there, because of the challenge of providing placements in the community. It is important that there is closer integration with social care through the local authorities, but also, as he rightly identifies, through other NHS providers, particularly if they are co-located on the site. He mentioned what he describes as an opportunity for the North-East London NHS Foundation Trust to work alongside Barking, Havering and Redbridge University Hospitals NHS Trust to try to smooth the passage and find other opportunities in the community for more appropriate flow. That is very interesting and I hope he is engaging with the leadership of the sustainability and transformation plan and proposing imaginative ideas, in the hope that they will be assessed appropriately when consideration is given to the provision of the future pattern of healthcare in his area.

The hon. Gentleman focused mostly on the challenge to A&E at King George. I will spend most of the rest of my remarks addressing his concerns as best I can. He will appreciate that, across the country, the NHS is coming together, through the STPs published at the end of last year, to identify the right pattern of care across an individual NHS footprint. North-east London has come together with the STP for that area. Our view is that that is the right way to encourage a more holistic approach to the future provision of NHS services. It needs to be led by clinicians and those responsible for managing NHS organisations, and it needs to work in a collaborative and perhaps more open way than it has in the past with local authorities, which have a part to play, as I have said, in facilitating the passage beyond hospital and back into the community.

We are absolutely clear that any significant service change that arises out of the implementation of STPs, if they get to that stage, must be subject to full public consultation, and proposals must meet the Government's four reconfiguration tests, which are support from clinical commissioners, clarity on the clinical evidence base, robust patient and public engagement, and support for patient choice. Additional NHS guidance means that proposed service reconfigurations should be tested for their impact on overall bed numbers in the area, which the hon. Gentleman has identified appears to be absent from the STP at present. I urge him to continue to challenge that in his area.

Wes Streeting: Will the Minister clarify whether he expects the STP process to now publicly consult on any future proposal to close the A&E at King George Hospital? Furthermore, were the STP to recommend to Ministers that the A&E should remain, will they heed that advice and agree that the STP process should not be constrained by the decision made in 2011 by the then Secretary of State?

Mr Dunne: I am going to have to disappoint the hon. Gentleman, because I am not in a position to second guess the conclusions of the STP discussions and recommendations. It is appropriate for them to take into account clinical decisions made in the recent past, one of which is the decision about the A&E at King George. It is up to the STP management to decide whether to take that forward as the STP evolves. It is right that the STP management looks at health provision in the round. It will be responsible for delivering healthcare to local residents and it needs to take into account all the information sources available to it. I do not think it is right to say that it necessarily has to re-consult on certain issues. It needs to form a view on the right configuration and then use its available data sources and go through the processes.

I will try to explain to the hon. Gentleman the process that, as I understand it, is now under way in his area. Both hon. Gentlemen are right to say that, in 2011, on advice from the independent reconfiguration panel, which approved the proposal, the then Secretary of State took the decision that the north-east London scheme should be allowed to proceed. The Secretary of State made it clear at the time—it has since been repeated in response to questions about the health authorities in the area—that no changes were to take place until it was clinically safe to do so. I believe that remarks that the Secretary of State might have made when visiting the area recently must be considered in that context.

There have been a number of changes since the decision was made, and there are four elements to the process. First, the STP team is reviewing and revalidating the modelling used back in 2010 to ensure that the proposals that were made remain appropriate, as one would expect the team to do. Secondly, the governing members of the

CCG board, the trust board and the STP board will need to agree the business case that arises from the STP recommendations. Thirdly, if that is achieved, NHS England and NHS Improvement will be required to approve the business case. Finally, it is envisaged that a clinically led gateway assurance team—an NHS construct—will manage a series of gateway reviews at different stages of the process from planning to implementation, as the project proceeds, to assure system readiness and patient safety at every step of the way, should the decisions necessary to get there be taken in the intervening period.

Mike Gapes: Does the Minister think that the whole process could be completed by 2019?

Mr Dunne: I will have to disappoint the hon. Gentleman, because it is not for me to prejudge how long the process would take. In all honesty, I think it is most unlikely that it would be completed in less than two years. It is conceivable that it would be concluded by the end of 2019, but a two-year process is likely to be required as a minimum.

In the meantime, CQC visits and reports will continue on a routine basis. Now that the trust is out of special measures, those visits will be somewhat less frequent than they were while the trust was in special measures. Any information coming out of that process will inform decisions taken by the trust and the STP area.

In my final comments, I want to reassure the hon. Gentlemen and their constituents that the proposals include a new urgent care centre at King George Hospital to provide emergency support to local residents for the majority of present A&E attendances. Blue-light trauma and emergency cases requiring full support from emergency medical teams would be taken to other hospitals in the area, but the majority of cases currently treated at King George would continue to be treated there. The new urgent care centre would benefit from several improvements, including more space and access for diagnosis, X-ray, blood tests and so on. I hope that that gives the hon. Gentlemen some reassurance that the facilities that remained at King George would continue to provide the majority of their constituents with the care that they would need in an emergency.

Wes Streeting: Is the Minister saying that the STP process should not be constrained by the 2011 decision if those in charge of the process think that that was the wrong decision?

Mr Dunne: The process should be informed by the decisions taken in 2010, but it will be up to today's STP leadership to decide what to do.

Question put and agreed to.

10.29 pm

House adjourned.

Written Statements

Monday 10 July 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Environmental Council: June

The Minister of State, Department for Business, Energy and Industrial Strategy (Claire Perry): I attended the EU Environment Council in Luxembourg on 19 June along with the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Suffolk Coastal (Dr Coffey).

I wish to update the House on the matters discussed. *The Effort Sharing Regulation (ESR) and Land Use, Land Use Change and Forestry Regulation (LULUCF)*

The Maltese presidency introduced an exchange of views on these two regulations which, alongside the EU emissions trading system, will implement the EU's 2030 emissions reduction target under the Paris agreement. On the Effort Sharing Regulation (ESR), views were sought on the idea of a safety reserve put forward by the presidency to address concerns from some member states on the starting point for the 2021-2030 emissions trajectory. On the Land Use, Land Use Change and Forestry (LULUCF) regulation, views were sought on how to account for forest reference levels. Member state views remain divided on the best way to balance fairness, environmental integrity and cost efficiency across the dossiers. However, delegations reiterated the importance of making progress in order to reach agreement at October's Environment Council. This in turn would help reinforce EU climate leadership ahead of the next UN Framework Convention on Climate Change Conference of the parties in November.

On both dossiers, the UK spoke in support of the Commission's original proposals, highlighting the importance of environmental integrity and appropriate flexibility, but recognised the concerns of other member states and indicated a willingness to work constructively with others to reach an agreement. On the ESR, the UK noted some concerns with the current design of the proposed safety reserve, but was open to it in principle. On LULUCF, we spoke alongside several other member states in expressing a preference for forest reference levels to be based on historic policies, to help ensure biomass emissions are fully reflected in LULUCF accounting.

US decision to withdraw from the Paris agreement

Environment Ministers debated the United States' announcement of its intention to withdraw from the Paris agreement, noting that the Foreign Affairs Council (FAC) had adopted Council conclusions on the same subject earlier in the day. There was full support of the FAC position, with many member states, including the UK expressing deep regret at the US decision and reaffirming that the Paris agreement cannot be renegotiated. While underscoring that the Paris agreement was irreversible, the UK also noted that the EU should leave the door open for the US to review its decision.

The Netherlands called on member states to provide funding to make up the shortfall in funding to the Intergovernmental Panel on Climate Change (IPCC) and the UK, along with other member states, responded positively towards this suggestion.

EU Action Plan for Nature, People and the Economy

Council adopted Council conclusions on the Action Plan, which seeks to improve the practical implementation of the habitats and birds directive and boost their contribution towards reaching the EU's biodiversity targets for 2020.

AOB items

AOB—waste package—state of play

The presidency updated Council on the waste (circular economy) package. Many member states, UK included, noted that further discussion on the file would be welcome, particularly on the achievability of targets across all member states. The UK highlighted the variance of current municipal recycling rates across England, the challenge faced in urban areas and recognised the success in Wales.

AOB—urban adaptation plans for cities with more than 100,000 inhabitants in Poland—Information

The Polish delegation presented information on the climate implications of their urban adaptation plans.

AOB—Member state ratification of the Kigali amendment to the Montreal protocol—information

The Commission presented information on the Kigali amendment to the Montreal protocol.

AOB—Basel, Rotterdam and Stockholm Conferences of the Parties—information

The presidency and the Commission together updated the Council on the outcomes of the international meeting on the Basel, Rotterdam and Stockholm Conventions.

AOB—Role of women in mountain regions—information

The Austrian delegation presented information on the role of women in mountain regions.

AOB—UN oceans conference—information

The Swedish delegation presented information on the outcome of the UN oceans conference.

AOB—11th Nano-authorities dialogue—information

The Luxembourg, Austrian and German delegations together presented information on the recommendations adopted at the 11th Nano-authorities dialogue.

AOB—Estonian presidency work programme—information

The incoming Estonian presidency set out the Council work programme for the next six months.

[HCWS33]

EDUCATION

Teacher Update

The Secretary of State for Education (Justine Greening): The 27th report of the School Teachers' Review Body (STRB) is being published today. Its recommendations cover the remit that I issued in October 2016. The report contains recommendations on the pay award for teachers that is due to be implemented from September 2017, which are consistent with the Government's 1% public

sector pay policy. Copies of the STRB's 27th report are available in the Vote Office, the Printed Paper Office and the Libraries of the House, and online at www.gov.uk.

The STRB has recommended an uplift of 1 % to the minima and maxima of all pay ranges and allowances in the national pay framework, other than the minimum and maximum of the main pay range, to which they have recommended a 2% uplift. Following previous reforms, schools already have significant flexibility, within the pay ranges, to set pay for individual teachers, taking account of performance and retention. Nevertheless, those at the bottom of the main pay scale will receive an automatic 2% increase, a small proportion of teachers. As such it is consistent with the Government's public sector 1 % pay policy.

A full list of the recommendations is attached as an annex.

My officials will write to all of the statutory consultees of the STRB to invite them to contribute to a consultation on my acceptance of these recommendations and on a revised "School Teachers' Pay and Conditions" document and pay order. The consultation will last for three weeks.

I am grateful to the STRB for these recommendations and, subject to the views of consultees, I intend to accept all the key recommendations.

My detailed response contains further information on these matters.

Attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-07-10/HCWS34/>.

[HCWS34]

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