

Monday
23 October 2017

Volume 630
No. 38



HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 23 October 2017

HER MAJESTY'S GOVERNMENT

MEMBERS OF THE CABINET

(FORMED BY THE RT HON. THERESA MAY, MP, JUNE 2017)

PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt Hon. Theresa May, MP
FIRST SECRETARY OF STATE AND MINISTER FOR THE CABINET OFFICE—The Rt Hon. Damian Green MP
CHANCELLOR OF THE EXCHEQUER—The Rt Hon. Philip Hammond, MP
SECRETARY OF STATE FOR THE HOME DEPARTMENT—The Rt Hon. Amber Rudd, MP
SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS—The Rt Hon. Boris Johnson, MP
SECRETARY OF STATE FOR EXITING THE EUROPEAN UNION—The Rt Hon. David Davis, MP
SECRETARY OF STATE FOR DEFENCE—The Rt Hon. Sir Michael Fallon, MP
SECRETARY OF STATE FOR HEALTH—The Rt Hon. Jeremy Hunt, MP
LORD CHANCELLOR AND SECRETARY OF STATE FOR JUSTICE—The Rt Hon. David Lidington, MP
SECRETARY OF STATE FOR EDUCATION AND MINISTER FOR WOMEN AND EQUALITIES—The Rt Hon. Justine Greening, MP
SECRETARY OF STATE FOR INTERNATIONAL TRADE AND PRESIDENT OF THE BOARD OF TRADE—The Rt Hon. Liam Fox, MP
SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY—The Rt Hon. Greg Clark, MP
SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS—The Rt Hon. Michael Gove, MP
SECRETARY OF STATE FOR TRANSPORT—The Rt Hon. Chris Grayling, MP
SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT—The Rt Hon. Sajid Javid, MP
SECRETARY OF STATE FOR SCOTLAND—The Rt Hon. David Mundell, MP
SECRETARY OF STATE FOR WALES—The Rt Hon. Alun Cairns, MP
SECRETARY OF STATE FOR NORTHERN IRELAND—The Rt Hon. James Brokenshire, MP
SECRETARY OF STATE FOR INTERNATIONAL DEVELOPMENT—The Rt Hon. Priti Patel, MP
SECRETARY OF STATE FOR DIGITAL, CULTURE, MEDIA AND SPORT—The Rt Hon. Karen Bradley, MP
SECRETARY OF STATE FOR WORK AND PENSIONS—The Rt Hon. David Gauke, MP
CHANCELLOR OF THE DUCHY OF LANCASTER—The Rt Hon. Sir Patrick McLoughlin, MP
LORD PRIVY SEAL AND LEADER OF THE HOUSE OF LORDS—The Rt Hon. Baroness Evans of Bowes Park

DEPARTMENTS OF STATE AND MINISTERS

Business, Energy and Industrial Strategy—

SECRETARY OF STATE—The Rt Hon. Greg Clark, MP

MINISTERS OF STATE—

Joseph Johnson, MP (Minister for Universities, Science, Research and Innovation) §
Claire Perry, MP (Minister for Climate Change and Industry)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Margot James, MP
Richard Harrington, MP
Lord Prior of Brampton

Cabinet Office—

MINISTER FOR THE CABINET OFFICE AND FIRST SECRETARY OF STATE—The Rt Hon. Damian Green, MP

LORD PRESIDENT OF THE COUNCIL—The Rt Hon. Andrea Leadsom §

PARLIAMENTARY SECRETARIES—

Chris Skidmore, MP
Caroline Nokes, MP

CHANCELLOR OF THE DUCHY OF LANCASTER—The Rt Hon. Sir Patrick McLoughlin, MP

Communities and Local Government—

SECRETARY OF STATE—The Rt Hon. Sajid Javid, MP

MINISTER OF STATE—Alok Sharma, MP (Minister for Housing and Planning)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Marcus Jones, MP
Jake Berry, MP
Lord Bourne of Aberystwyth §

Defence—

SECRETARY OF STATE—The Rt Hon. Sir Michael Fallon, MP

MINISTERS OF STATE—

Mark Lancaster, MP (Minister for the Armed Forces)
The Rt Hon. Earl Howe §

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Harriett Baldwin, MP
The Rt Hon. Tobias Ellwood, MP

Digital, Culture, Media and Sport—

SECRETARY OF STATE—The Rt Hon. Karen Bradley, MP

MINISTER OF STATE—The Rt Hon. Matt Hancock, MP (Minister for Digital)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Tracey Crouch, MP

John Glen, MP

Lord Ashton of Hyde

Education—

SECRETARY OF STATE AND MINISTER FOR WOMEN AND EQUALITIES—The Rt Hon. Justine Greening, MP

MINISTERS OF STATE—

The Rt Hon. Nick Gibb, MP (Minister for School Standards and Minister for Equalities)

Joseph Johnson, MP (Minister for Universities, Science, Research and Innovation) §

The Rt Hon. Anne Milton, MP (Minister for Apprenticeships and Skills and Minister for Women)

Robert Goodwill, MP (Minister for Children and Families)

PARLIAMENTARY UNDER-SECRETARY OF STATE—Lord Agnew of Oulton

Environment, Food and Rural Affairs—

SECRETARY OF STATE—The Rt Hon. Michael Gove, MP

MINISTER OF STATE—George Eustice, MP (Minister for Agriculture, Fisheries and Food)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Thérèse Coffey, MP

Lord Gardiner of Kimble

Exiting the European Union —

SECRETARY OF STATE—The Rt Hon. David Davis, MP

MINISTER OF STATE—The Rt Hon. Baroness Anelay of St Johns

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Steve Baker, MP

Robin Walker, MP

Foreign and Commonwealth Office—

SECRETARY OF STATE—The Rt Hon. Boris Johnson, MP

MINISTERS OF STATE—

The Rt Hon. Sir Alan Duncan, MP (Minister for Europe and the Americas)

The Rt Hon. Alistair Burt, MP (Minister for the Middle East) §

The Rt Hon. Mark Field, MP (Minister for Asia and the Pacific)

Rory Stewart, MP (Minister for Africa) §

Lord Ahmad of Wimbledon (Minister for the Commonwealth and the UN)

Health—

SECRETARY OF STATE—The Rt Hon. Jeremy Hunt, MP

MINISTER OF STATE—Philip Dunne, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Steve Brine, MP

Jackie Doyle-Price, MP

Lord O'Shaughnessy

Home Office—

SECRETARY OF STATE—The Rt Hon. Amber Rudd, MP

MINISTERS OF STATE—

The Rt Hon. Brandon Lewis, MP (Minister for Immigration)

The Rt Hon. Ben Wallace, MP (Minister for Security)

Nick Hurd, MP (Minister for Policing and the Fire Service)

Baroness Williams of Trafford (Minister for Countering Extremism)

PARLIAMENTARY UNDER-SECRETARY OF STATE—Sarah Newton, MP

International Development—

SECRETARY OF STATE—The Rt Hon. Priti Patel, MP

MINISTERS OF STATE—

The Rt Hon. Alistair Burt §

Rory Stewart, MP §

The Rt Hon. Lord Bates

International Trade—

SECRETARY OF STATE AND PRESIDENT OF THE BOARD OF TRADE—The Rt Hon. Liam Fox, MP

MINISTERS OF STATE—

The Rt Hon. Greg Hands, MP (Minister for Trade Policy)

Baroness Fairhead (Minister for Trade and Export Promotion)

PARLIAMENTARY UNDER-SECRETARY OF STATE—Mark Garnier, MP

Justice—

LORD CHANCELLOR AND SECRETARY OF STATE—The Rt Hon. David Lidington, MP

MINISTER OF STATE—Dominic Raab, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Sam Gyimah, MP

Phillip Lee, MP

ADVOCATE GENERAL FOR SCOTLAND—Lord Keen of Elie, QC

Law Officers—

ATTORNEY GENERAL—The Rt Hon. Jeremy Wright, QC, MP

SOLICITOR GENERAL—Robert Buckland, QC, MP

Leader of the House of Commons—

LEADER OF THE HOUSE OF COMMONS—The Rt Hon. Andrea Leadsom, MP §

DEPUTY LEADER OF THE HOUSE OF COMMONS—Michael Ellis, MP

Northern Ireland—

SECRETARY OF STATE—The Rt Hon. James Brokenshire, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Chloe Smith, MP §

Lord Bourne of Aberystwyth §

Scotland Office —

SECRETARY OF STATE—The Rt Hon. David Mundell, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—Lord Duncan

Transport—

SECRETARY OF STATE—The Rt Hon. Chris Grayling, MP

MINISTER OF STATE—The Rt Hon. John Hayes, MP (Minister for Transport Legislation and Maritime)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Paul Maynard, MP

Jesse Norman, MP

Lord Callanan

Treasury—

PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt Hon. Theresa May, MP

CHANCELLOR OF THE EXCHEQUER—The Rt Hon. Philip Hammond, MP

CHIEF SECRETARY—The Rt Hon. Elizabeth Truss, MP

FINANCIAL SECRETARY—The Rt Hon. Mel Stride, MP

EXCHEQUER SECRETARY—Andrew Jones, MP

ECONOMIC SECRETARY—Stephen Barclay, MP

PARLIAMENTARY SECRETARY—The Rt Hon. Gavin Williamson, MP

LORDS COMMISSIONERS—

The Rt. Hon. David Evennett, MP

Guto Bebb, MP §

David Rutley, MP

Heather Wheeler, MP

Mark Spencer, MP

Andrew Griffiths, MP

ASSISTANT WHIPS—

Mike Freer, MP

Graham Stuart, MP

Rebecca Harris, MP

Nigel Adams, MP

Andrew Stephenson, MP

Chloe Smith, MP §

Stuart Andrew, MP

Craig Whittaker, MP

UK Export Finance—

SECRETARY OF STATE FOR INTERNATIONAL TRADE AND PRESIDENT OF THE BOARD OF TRADE—The Rt Hon. Liam Fox, MP

MINISTER FOR TRADE AND EXPORT PROMOTION—Baroness Fairhead

Wales Office—

SECRETARY OF STATE—The Rt Hon. Alun Cairns, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—

Guto Bebb, MP §

Lord Duncan

Work and Pensions

SECRETARY OF STATE—The Rt Hon. David Gauke, MP

MINISTERS OF STATE—

Damian Hinds, MP (Minister for Employment)

Penny Mordaunt, MP (Minister for Disabled People, Health and Work)

PARLIAMENTARY UNDER-SECRETARIES OF STATE—

Guy Opperman, MP

Caroline Dinage, MP

Baroness Buscombe §

Office of the Leader of the House of Lords—

LEADER OF THE HOUSE OF LORDS AND LORD PRIVY SEAL—The Rt. Hon. Baroness Evans of Bowes Park

DEPUTY LEADER OF THE HOUSE OF LORDS—The Rt Hon. Earl Howe §

Her Majesty's Household—

LORD CHAMBERLAIN—The Rt Hon. Earl Peel GCVO, DL

LORD STEWARD—The Earl of Dalhousie

MASTER OF THE HORSE—Lord Vestey KCVO

TREASURER—Julian Smith, MP

COMPTROLLER—Christopher Pincher, MP

VICE-CHAMBERLAIN—Chris Heaton-Harris, MP

CAPTAIN OF THE HONOURABLE CORPS OF GENTLEMEN-AT-ARMS—The Rt Hon. Lord Taylor of Holbeach CBE

CAPTAIN OF THE QUEEN'S BODYGUARD OF THE YEOMEN OF THE GUARD—Earl of Courtown

BARONESSSES IN WAITING—Baroness Goldie DL, Baroness Sugg CBE, Baroness Buscombe §, Baroness Vere of Norbiton, Baroness Chisholm of Owlpen

LORDS IN WAITING—Viscount Younger of Leckie, The Rt Hon. Lord Young of Cookham CH

§ *Members of the Government listed under more than one Department*

SECOND CHURCH ESTATES COMMISSIONER, REPRESENTING CHURCH COMMISSIONERS—The Rt. Hon. Dame Caroline Spelman, MP

REPRESENTING THE SPEAKER'S COMMITTEE ON THE ELECTORAL COMMISSION—Bridget Phillipson, MP

REPRESENTING THE SPEAKER'S COMMITTEE FOR THE INDEPENDENT PARLIAMENTARY STANDARDS AUTHORITY—Mr Charles Walker, MP

REPRESENTING THE HOUSE OF COMMONS COMMISSION—The Rt Hon. Tom Brake, MP

CHAIRMAN OF THE PUBLIC ACCOUNTS COMMISSION—Sir Edward Leigh, MP



HOUSE OF COMMONS

THE SPEAKER—The Rt Hon. John Bercow, MP

CHAIRMAN OF WAYS AND MEANS—The Rt Hon. Lindsay Hoyle, MP

FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS—Mrs Eleanor Laing, MP

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS—The Rt Hon. Dame Rosie Winterton, MP

PANEL OF CHAIRS

Sir David Amess, Ian Austin, Mr Adrian Bailey, Sir Henry Bellingham, Mr Clive Betts, Mr Peter Bone, Mr Graham Brady, Ms Karen Buck, Mr Christopher Chope, Sir David Crausby, Geraint Davies, Philip Davies, Ms Nadine Dorries, Mr Nigel Evans, Sir Roger Gale, Mike Gapes, The Rt Hon. Cheryl Gillan, James Gray, The Rt Hon. David Hanson, Mr Philip Hollobone, Stewart Hosie, The Rt Hon. George Howarth, Sir Edward Leigh, Mrs Anne Main, Steve McCabe, Siobhain McDonagh, Mrs Madeleine Moon, Albert Owen, Ian Paisley, Mark Pritchard, Mr Laurence Robertson, Andrew Rosindell, The Rt Hon. Joan Ryan, Mr Virendra Sharma, Mr Gary Streeter, Graham Stringer, Mr Charles Walker, Phil Wilson

SECRETARY—Colin Lee

HOUSE OF COMMONS COMMISSION

The Rt Hon. The Speaker (Chairman), Sir Paul Beresford, MP, The Rt Hon. Tom Brake, MP, The Rt Hon. Andrea Leadsom, MP (Leader of the House), Stewart Hosie, MP, Valerie Vaz, MP, The Rt Hon. Dame Rosie Winterton, MP, David Natzler (Clerk of the House), Ian Ailles (Director General of the House of Commons), Dame Janet Gaymer, DBE (External Member), Jane McCall (External Member)

SECRETARY OF THE COMMISSION—Marianne Cwynarski

ASSISTANT SECRETARY—Helen Wood

ADMINISTRATION ESTIMATE AUDIT AND RISK ASSURANCE COMMITTEE AND MEMBERS ESTIMATE AUDIT COMMITTEE

Dame Janet Gaymer, DBE (Chair), Sir Paul Beresford, MP, The Rt Hon. Tom Brake, MP, The Rt Hon. Dame Rosie Winterton, MP, Jane McCall, Bob Scruton

SECRETARY—John-Paul Flaherty

THE BOARD

Ian Ailles (Director General of the House of Commons), Myfanwy Barrett (Managing Director, Corporate Services and Finance Director), John Benger (Clerk Assistant and Managing Director, Chamber and Committees), Carlos Bamford (Managing Director, In-House Services), Lee Bridges (Head of Communications), Brian Finimore (Managing Director, Strategic Estates), Marianne Cwynarski (Head of the Governance Office), Tracey Jessup (Director of the Parliamentary Digital Service), Eric Hepburn (Director of Security for Parliament), Penny Young (Librarian and Managing Director, Research and Information, and Managing Director, Participation), Annette Toft (Ways of Working Director), Patsy Richards (Customer Service Lead), Edge Watchorn (People Stripe Director), David Natzler (Clerk of the House and Head of the House of Commons Service) [ex officio]

SECRETARY OF THE BOARD—Sarah Petit

EXECUTIVE COMMITTEE

David Natzler (Clerk of the House and Head of the House of Commons Service), Ian Ailles (Director General of the House of Commons), Myfanwy Barrett (Managing Director, Corporate Services and Finance Director)

SECRETARY OF THE EXECUTIVE COMMITTEE—Sarah Petit

SPEAKER'S SECRETARY—Peter Barratt

SPEAKER'S COUNSEL—Saira Salimi

SPEAKER'S CHAPLAIN—Rev. Rose Hudson-Wilkin

PARLIAMENTARY COMMISSIONER FOR STANDARDS—Kathryn Hudson

THE PARLIAMENTARY DEBATES

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 630

FIFTH VOLUME OF SESSION 2017-2019

House of Commons

Monday 23 October 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—

Leaving the EU: Defence Co-operation

1. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What recent discussions he has had with his EU counterparts on defence co-operation after the UK leaves the EU. [901300]

9. **Chris Law** (Dundee West) (SNP): What recent discussions he has had with his EU counterparts on defence co-operation after the UK leaves the EU. [901308]

The Secretary of State for Defence (Sir Michael Fallon): Our foreign policy, defence and development paper set out our ambition for a strong partnership when we leave the European Union. We are unconditionally committed to European security, and we will work closely with our European partners to defend our shared values and to confront shared threats. Our long-standing commitment to NATO nuclear deterrence remains the ultimate guarantee of our security.

Gavin Newlands: The UK is leaving the EU and the single market just when the EU is providing large funds for co-operation on procurement, and research and development. Will the Secretary of State ensure that the UK defence industry has continued access to EU projects and to co-operation with the European defence sector?

Sir Michael Fallon: That is exactly what we will try to ensure, as we set out in the paper that was published a few weeks ago. We want our defence companies to stay close to the European Defence Agency and other collaborative programmes on the continent, a number of which are in shared ownership with companies in Europe.

Chris Law: RM Condor in my neighbouring constituency has played a key role in defence co-operation with both EU and non-EU allies. In recent months, however, cuts have created uncertainty about the very future of the base, which has caused great concern to many of my constituents who work and serve at the base and their families. Does the Secretary of State agree that this not only sends entirely the wrong message about our commitment to our allies, including the European Union, but will strike at the heart of our community, which has a long history with this base?

Sir Michael Fallon: I have visited the Condor base, and I reassure the hon. Gentleman that, although we are looking hard at the future use of its airfield, the base itself will not be affected. The Under-Secretary of State for Defence, my right hon. Friend the Member for Bournemouth East (Mr Ellwood), who has direct responsibility for basing matters, is happy to talk to him in more detail.

Richard Benyon (Newbury) (Con): Whether or not Britain is part of the European Union, bilateral defence co-operation with our allies is important at any time. Will the Secretary of State comment on progress on the Lancaster House agreement? That seems such a sensible arrangement to have with a country with similar defence forces and a similar world view.

Sir Michael Fallon: In the past few months I have had meetings with my counterparts in Belgium, Cyprus, Estonia, France, Italy and Romania, and I have received inward visits from my counterparts from Croatia, the Netherlands and Poland. The Lancaster House framework is the most important of all our relationships with other members of the European Union, and I assure my right hon. Friend that when I meet the French Minister, Madame Parly, next month, we will discuss how we take work under that agreement further forward.

James Gray (North Wiltshire) (Con): Britain had close working defence relationships with all European countries for decades before the EU was even invented, and for centuries before that with many of them. Does the Secretary of State agree that although we will of course maintain close defence relationships with France, Germany and other European countries, Brexit gives us an opportunity to redevelop some of our defence relationships across the world—with the old Commonwealth and the United States of America, and of course with NATO being at the centre of it all?

Sir Michael Fallon: Brexit, of course, gives us the opportunity to look again at our global role. We currently contribute to more than a dozen common security and defence policy missions and operations organised by the European Union, and it is important that from outside the European Union we continue, where we can, to consider how we can further contribute to European security, as well as to the global role about which my hon. Friend and I agree.

Fabian Hamilton (Leeds North East) (Lab): I am sure that the Secretary of State agrees that our defence industry needs certainty and stability from the Government so that it can plan its operations appropriately, but the Opposition believe that the Government's dogged insistence on dragging us out of the customs union and the single market during the transition period is having the opposite effect. Is it not time that we put the interests of our economy first, including the defence sector, rather than the interests of a minority of Tory Back Benchers, by retaining our membership of the single market and customs union for a time-limited period as we leave the EU?

Sir Michael Fallon: As we leave the European Union, we have to leave the single market and the customs union. Our paper on the foreign policy and defence partnership we seek after we leave the European Union makes it clear that we continue to seek the closest possible co-operation between our defence industry and the defence industries of the continent.

Michael Fabricant (Lichfield) (Con): My right hon. Friend has already referred to global reach. Given that the United Kingdom probably has a greater capability with that than any armed forces in Europe, is there not a common feeling between the Europeans and the United Kingdom that we could co-operate in future for our mutual defence?

Sir Michael Fallon: Yes. Our 2015 strategic defence and security review made it clear that our defence posture will be international by design—we will increasingly be working more closely with our friends and allies

around the world. We saw evidence of that co-operation when dealing with the aftermath of Hurricane Irma, for example.

Stewart Malcolm McDonald (Glasgow South) (SNP): Crucial to our relationship with EU and non-EU allies is the work of the Royal Marines in northern Europe. The fears that we have heard elsewhere about the future of HMS Albion and HMS Bulwark, which are key components of the UK-Netherlands amphibious force, are not being felt only on these shores, and the same is true of the decision earlier this summer to cancel the vital winter training in Norway. What assurances does the Secretary of State have today for our allies in northern Europe that those programmes are not in danger?

Sir Michael Fallon: We work very closely with our northern European allies, not least through the Northern Group and the joint expeditionary force, of which many of the other northern countries are members. The Royal Marines are a key part of that co-operation.

Stewart Malcolm McDonald: I think that was a response rather than an answer. I am grateful for what the Secretary of State said to my hon. Friend the Member for Dundee West (Chris Law) about the base at Arbroath, but will he tell us a bit more about his plans for the airfield so that those crucial partners in Europe know more about it, as well as my hon. Friend's constituents?

Sir Michael Fallon: We are looking again at a large number of the airfields that we are not making full use of at the moment to determine whether they can be released for other use in a number of parts of this country, which would give us an opportunity for the new housing that we need. The Royal Marine base at Condor is part of that review, and I have said that my right hon. Friend the Member for Bournemouth East, who is responsible for basing, is very happy to talk to the hon. Gentleman and to the hon. Member for Dundee West (Chris Law) about the future development of that airfield.

Johnny Mercer (Plymouth, Moor View) (Con): Does my right hon. Friend agree that Members all have a responsibility when it comes to speculation? We could speculate about anything at all, but we are talking about people's lives and jobs, so we should base our debate around facts, not a political agenda.

Sir Michael Fallon: I agree with my hon. Friend; there has been quite enough speculation and scaremongering, not least among Opposition Members. The threats to our country have intensified since the 2015 review, so the National Security Adviser is conducting a specific capabilities review to make sure that we are implementing the 2015 review in the best possible way to give us the impact we need from our re-equipment programme.

Defence Funding

2. **Stephen Morgan** (Portsmouth South) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the adequacy of defence funding.

[901301]

The Secretary of State for Defence (Sir Michael Fallon):

I have regular discussions with the Chancellor. The Government are committed to spending at least 2% of GDP on defence and to growing the defence budget by at least 0.5% above inflation every year of this Parliament. The defence budget will therefore rise from £36 billion this year to almost £40 billion by 2020-21.

Stephen Morgan: Does the Secretary of State agree that the inadequacy of current funding and the uncertainty around long-term investments that that generates has had an impact on the security of jobs at BAE Systems, including in my constituency?

Sir Michael Fallon: If Opposition Members were really concerned about jobs at BAE Systems, they would get behind our export campaigns for Typhoon and Hawk aircraft, rather than undermining them by criticising potential customers. When I saw the chairman of BAE Systems last week, I reassured him that we wanted to continue to work with the company. I have emphasised the importance of keeping production lines open, should new orders for Typhoons and Hawks materialise, and of staying on track in developing RAF Marham for the arrival of the F-35.

Dr Julian Lewis (New Forest East) (Con): Does the Secretary of State recall that several years after we took the peace dividend, in the mid-1990s, we were still spending 3% of GDP on defence? Will he assure us that no inadequacy in the defence budget will lead to the loss of HMS Albion and HMS Bulwark, which are scheduled to leave service in 2033 and 2034, as the defence procurement Minister, my hon. Friend the Member for West Worcestershire (Harriett Baldwin), wrote to the Defence Committee to say only in January?

Sir Michael Fallon: On the latter point, I have referred to the purpose of the capabilities review, which is simply to make sure that the equipment programme that we set out in 2015 is on track and is spending our money in the best possible way to deal with the threats, which have intensified since then. On the first point, about finance, the defence budget was £34 billion when I became Defence Secretary. It is £36 billion today and it will reach £40 billion by 2020.

Nia Griffith (Llanelli) (Lab): We have heard that a Tory rebellion is growing over next month's Budget, with half the Cabinet determined to sack the Chancellor because they are convinced that they can do a better job themselves. There is even speculation that the loyal Defence Secretary might be about to launch his own offensive on No. 11.

On a more serious matter, most of the Tory manifesto has already bitten the dust, so I was pleased that the Secretary of State seemed to be very confident about the commitment to a 0.5% year-on-year increase in defence spending. Will he give us a categorical assurance that there will be no fiddling of the figures, as we have seen with the NATO commitment on spending 2% of GDP?

Sir Michael Fallon: I am not sure whether the hon. Lady's first point was a reference to speculation or scaremongering, but it is good to hear from her after she was gagged at the Labour party conference and not given any kind of speaking slot.

I can reassure the hon. Lady that our manifesto commitment to increasing the defence budget by at least 0.5% ahead of inflation is an absolute commitment and that we will stand by it. As for what is classified as 2% spending for the purposes of the NATO return, that is entirely a matter for NATO to decide.

Nia Griffith: The reality is that the Government's chaotic mismanagement has led to gaping holes in the MOD's budget. As we have heard, there is real concern about cuts to our amphibious capabilities. Will the Secretary of State say categorically that there will be absolutely no cuts to the Royal Marines?

Sir Michael Fallon: The Royal Marines are part of the Royal Navy. With the latest Astute submarine, Audacious, launching back in the spring, the steel cut in July on HMS Glasgow, the first of our new frigates, the sailing of HMS Queen Elizabeth, and the naming of HMS Prince of Wales, HMS Forth and HMS Medway, nobody should be in any doubt that this year has seen the Royal Navy growing in power and numbers.

Tom Tugendhat (Tonbridge and Malling) (Con): We hear discussion of defence budgets, but would it not be worth our also focusing on what the armed forces achieve for the United Kingdom? Through their soft influence, ships visits and training establishments, are they not fundamentally part of our foreign policy and integrated defence?

Sir Michael Fallon: Absolutely, and smart and soft power are as important to us as hard power, which is why it is the Government's ambition to continue to grow the defence budget, and the power and impact of our forces.

Mr Speaker: I note that the hon. Member for Tonbridge and Malling (Tom Tugendhat) appears to be powered by wires. If he is subject to some sort of exterior propulsion, he may be setting a precedent for Chairs of Select Committees. We are very grateful to the hon. Gentleman, I feel sure—his attire will be closely followed in the future.

Strategic Defence and Security Review

3. **Mary Creagh (Wakefield) (Lab):** What progress he is making on meeting the targets for 2020 set out in the SDSR 2015. [901302]

17. **Alex Norris (Nottingham North) (Lab/Co-op):** What progress he is making on meeting the targets for 2020 set out in the SDSR 2015. [901316]

The Minister for the Armed Forces (Mark Lancaster): Since SDSR 2015, we have cut steel on the first Type 26 and signed the contract to buy new Apache helicopters. We are on track to deliver by the end of 2020: initial operating capability for carrier strike; maritime patrol aircraft; and to field Ajax. We have launched our innovation initiative, and published both our shipbuilding and our international defence engagement strategies.

Mary Creagh: HMS Bulwark helped to evacuate 1,300 British citizens from Lebanon during the 2006 crisis. Given the Foreign Office's recent problems evacuating

citizens caught up in Hurricane Irma, will the Minister argue for his Department or the Department for International Development to lead on future evacuations? Will he guarantee today that the Government will maintain the fleet's littoral capacity, which is currently provided by HMS Bulwark and HMS Albion?

Mark Lancaster: One of this Government's strengths is in how we successfully work together between Departments. We saw the comprehensive approach working very effectively during recent weeks in the cross-Government response to Hurricane Irma in the Caribbean. That is exactly the approach we should be taking.

Alex Norris: SDSR 2015 aimed for at least 10% of our armed forces personnel to be from a black, Asian and minority ethnic background. Latest figures show that just 2.4% of regular officers are from a BAME background and that there are currently no BAME officers at a two-star rank or above. When will Ministers publish a new diversity strategy to get to grips with that challenge?

Mark Lancaster: The hon. Gentleman is quite right that Britain is changing, and it is very important that our armed forces represent modern Britain. There is a very impressive strategy in place in which—he is quite right—the target is for 10% of recruits to be from the BAME community and 15% to be women. We have had varying success across our three forces. The Royal Air Force is doing the best by far but, year on year, we are seeing improvements, and I am determined that we shall continue to recruit role models to help this process.

Mr Philip Hollobone (Kettering) (Con): By 2020, the commitments set out in SDSR 2015 will be funded by a defence budget totalling a record £40 billion. The Government's welcome commitment to spending 2% of our economy on defence is the minimum NATO requirement. Is the Government's welcome commitment to that rubbing off on our fellow NATO counterparts?

Mark Lancaster: My hon. Friend makes a powerful point. Indeed, we are committed to spending at least 2% and I am delighted that we continue to do that. Slowly but surely, we are getting this message across to our NATO allies. Although only a minority of them do spend 2%, we are conscious that the direction of travel is positive.

Shipbuilding/Type 31e Frigate

4. **Scott Mann (North Cornwall) (Con):** What progress he has made on implementing the national shipbuilding strategy and on procuring the Type 31e frigate. [901303]

16. **Mark Pawsey (Rugby) (Con):** What progress he has made on implementing the national shipbuilding strategy and on procuring the Type 31e frigate. [901315]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): We published our national shipbuilding strategy in September. The very next day, we launched the programme for five new Type 31e frigates. We are currently considering at least 20 different proposals from industry across the UK.

Scott Mann: I thank the Minister for her response. It is fantastic news that the national shipbuilding strategy will benefit the whole United Kingdom. Cornwall has a long and proud history with the sea. HMS Cornwall was decommissioned in June 2011. I urge her to take a bid from Cornwall to put, once again, Cornwall back on the waves.

Harriett Baldwin: My hon. Friend is an absolute champion for his county of Cornwall. He will be aware that we have started to announce the names of the Type 26 frigates with HMS Glasgow and HMS Belfast. Further names will be announced in due course. The Type 31e frigate will be named by the Royal Navy Ships Names and Badges Committee, and he has set out his claim today.

Mark Pawsey: The strategy announced by the Secretary of State will provide many opportunities for the supply chain, including for companies such as GE Energy in my constituency, which is currently working on the first batch of the Type 26—the global combat ship. Will the Minister say something about the timetable for the second batch of those vessels?

Harriett Baldwin: My hon. Friend highlights the importance of the supply chain right across the UK and the fact that, in a relatively landlocked part of the UK, so much work is pouring in from the frigate programme. We announced a £3.7 billion first batch of Type 26 frigates. We will be securing the necessary approvals to carry on negotiations for that contract and we will announce the second batch of five frigates early in the 2020s.

14. [901313] **Chris Evans (Islwyn) (Lab/Co-op):** Despite the challenges facing the UK steel industry, too many of the offshore patrol vessels used by the Royal Navy are being built with foreign steel. Can the Minister assure us that, as part of the national shipbuilding strategy, British steel will be put first when building new vessels?

Harriett Baldwin: I am delighted to let the House know that UK steel was represented at the first of the industry days that we held for the Type 31e frigate at the end of September. Its involvement at that very early stage ensures that it has the best chance of winning these competitions.

Chris Stephens (Glasgow South West) (SNP): How does the Minister respond to suggestions from trade unions on the Clyde that the promises made to them have been broken by the Ministry of Defence, and will the Government change their illogical decision to put three fleet support ships out to international competition? Should they not be built in the UK, too?

Harriett Baldwin: Well, honestly, every time I talk about our wonderful programme of shipbuilding in the UK, I hear nothing but doom and gloom from our friends on the Scottish nationalist Benches. In fact—and no one would believe this—there are currently 15 ships being built in Scotland, including the second of the two new aircraft carriers, two decades-worth of work on the frigate programme and five new offshore patrol vessels. Frankly, I do not know what I could do to keep these gentlemen and ladies happy.

Daesh

5. Royston Smith (Southampton, Itchen) (Con): What recent assessment he has made of progress in the military campaign against Daesh. [901304]

The Secretary of State for Defence (Sir Michael Fallon): We are making significant progress. In Syria, Raqqa was freed from Daesh's control on Friday. In Iraq, Mosul was liberated in July, and Tal Afar and Hawija followed very quickly thereafter. RAF strikes will continue against terrorist targets until they have been defeated in both Iraq and Syria. Only by pursuing this campaign can we help to reduce the terrorist threat to us here in Europe.

Royston Smith: This campaign will evolve as coalition forces destroy and degrade Daesh strongholds in Syria and across the middle east. There are reports of Daesh activity in Libya. What plans does the Secretary of State have to ensure that when Daesh is defeated in one area, it does not have a resurgence in another?

Sir Michael Fallon: We are working with the international coalition. We will be meeting as coalition Defence Ministers in a few weeks' time in Brussels to ensure that there is no emergence of Daesh in Libya or in other countries. So far as Libya itself is concerned, we are supporting the United Nations plan under the special representative of the Secretary-General, Ghassan Salamé.

John Woodcock (Barrow and Furness) (Lab/Co-op): When the then Prime Minister asked this House to approve airstrikes in November 2015, he described Raqqa as "the head of the snake"—[*Official Report*, 26 November 2015; Vol. 602, c. 1531.]

Now that the snake has apparently been beheaded, how long would the Secretary of State envisage the RAF staying in the region? And why on earth, after three opportunities, have the Government not made a statement to the House about this major development?

Sir Michael Fallon: There are regular reports to the House by myself, the Foreign Secretary and the International Development Secretary in a cycle of reporting and updating on the campaign in Iraq and Syria. I briefed Members of Parliament—I think the hon. Gentleman was present—at the Ministry last week.

The campaign is now changing, following the liberation of Raqqa and Mosul. British forces will be training further forward and are providing appropriate force protection for our personnel in and around coalition bases. I have today authorised the deployment of additional medical personnel to al-Asad air base, and extended the deployment of British engineers there for a further six months.

Mr Speaker: This question is a start, but there may be a statement, by one means or another, in this Chamber before very long.

John Woodcock: I will keep asking, Mr Speaker.

Mr Speaker: Indeed.

19. [901318] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): I was in Iraqi Kurdistan for the recent referendum and had the privilege of meeting troops from 2nd Battalion the Mercian Regiment who are training the peshmerga in the fight against Daesh. I am bound to say that I was very impressed by what I saw, but given the Secretary of State's positive and welcome assessment of the campaign, what next for our armed forces in the fight against Daesh?

Sir Michael Fallon: It is important that we keep up the fight against Daesh until it has been pushed right up to the Syrian border in Iraq and defeated there, and that we then begin the process of stabilisation and reconciliation in the provinces of Anbar and Nineveh to ensure that all those people—Sunni and Shi'a—realise that they have a stake in the future security of Iraq.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): The Labour party has long called for an operational service medal for our personnel on Operation Shader, so we welcome last month's announcement. The Secretary of State has rightly acknowledged that the changing nature of warfare requires changing the criteria for how we award medals. Does he have any plans to review the process, and when might that review be published?

Sir Michael Fallon: I am grateful to the hon. Gentleman for his welcome for an Operation Shader medal, which we hope to start issuing next year. It will rightly recognise the contribution made, over three years now, by our servicemen and women in this very important campaign against the evil of our time. I have already commented publicly about the current criteria, which require both "risk and rigour" to have been undergone before service personnel are eligible for a medal. The nature of warfare is changing, so we are having another look at those criteria.

Mr Keith Simpson (Broadland) (Con): One consequence of the success of the operations against Daesh has been the dispersal of many of its volunteers, including United Kingdom citizens. Yesterday, my hon. Friend the Member for Penrith and The Border (Rory Stewart), who is a Minister of State at the Foreign Office and the Department for International Development, said that, as far as UK citizens who had served in ISIS were concerned, the only thing to do, with one or two exceptions, was to kill them. Is that now Government policy?

Sir Michael Fallon: My hon. Friend and I have made it clear that those who travel to fight with Daesh in Iraq or Syria will have been committing a criminal offence. Daesh is a proscribed organisation, and we have to make sure that if these people ever do return from Iraq and Syria, they do not pose a future threat to our national security. However, they have made their choice: they have chosen to fight for an organisation that uses terror and the murder of civilians as a modus operandi.

Army Personnel

6. **Mr Paul J. Sweeney** (Glasgow North East) (Lab/Co-op): What assessment he has made of recent trends in the size of the Army. [901305]

11. **Jeff Smith** (Manchester, Withington) (Lab): What assessment he has made of recent trends in the size of the Army. [901310]

The Minister for the Armed Forces (Mark Lancaster): We are committed to maintaining the overall size of the armed forces, including an Army that is able to field a war-fighting division. While Army recruitment and retention remain challenging, over 8,000 people joined the regular Army last year and since April applications are over 20% higher compared with the same period last year.

Mr Sweeney: I thank the Minister for that answer, but in the year I was born—1989—the Regular Army's strength was 140,000. In 2006, when I joined the Territorials, it was 102,000. Yet, in recent years, we have seen the Army fall below a regular strength of 82,000—the Government's stated target—to only 80,000, and that includes a 40% fall in the armoured strength of the Army. Does the Minister not accept that this is an unacceptable degradation of British Army strength?

Mark Lancaster: No, I do not. It is important to note that the Army is currently 95% manned. I do accept that there are challenges. Having probably the highest employment rate we have had in recent years does not help when it comes to recruiting to the Army. There is also, as we discussed earlier, the changing nature of Britain, which means we have to fight harder to make sure that all parts of society will join the Army. However, this is also about the offer, and I must say that when the Leader of the Opposition says he cannot see a situation where he would deploy the Army overseas, that is hardly a good recruiting tool to get young people who want to join the Army to do exactly that.

Jeff Smith: The latest figures show that the Army is running at 6% under the number of personnel needed, with the gap growing. How understaffed do we need to be before the Secretary of State will put pressure on the Chancellor to lift the 1% pay cap to boost recruitment?

Mark Lancaster: The Army, as I say, is 95% recruited and quite capable of fulfilling all its commitments. I am pleased there will be some flexibility in how we apply pay—of course, we have the Armed Forces Pay Review Body, which sets it. It is important to have some flexibility so that we can attract people into the skill sets we are currently short of.

Andrew Bridgen (North West Leicestershire) (Con): Can my hon. Friend confirm or deny whether there is any truth in the current media speculation that the UK armed forces are about to be subsumed into a European defence force to placate the European Union?

Mark Lancaster: Blimey! That really is speculation. No, I think I can absolutely scupper that one.

Mr Marcus Fysh (Yeovil) (Con): Does my hon. Friend agree that Yeovil's multi-role Wildcat helicopters ably support and protect our Army units and could be upgraded with missiles even better to support more focused strike brigades?

Mark Lancaster: Of course, those are just some of the questions we are considering under the ongoing national security capability review, the purpose of which is to decide how best we can use the money we are investing in our armed forces to maximise their capability.

John Cryer (Leyton and Wanstead) (Lab): On the basis of the Minister's first answer, can he guarantee that the Army's strength will not drop below 80,000?

Mark Lancaster: We continue to work hard to ensure we have new recruits coming. As I say, the news this year is positive: we have over 8,000 recruits, which is up 20% on last year.

HMS Queen Elizabeth

7. **Suella Fernandes** (Fareham) (Con): What recent progress has been made on bringing HMS Queen Elizabeth into service. [901306]

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): HMS Queen Elizabeth sailed from Rosyth in June to commence her sea trials. She made her first entry into Portsmouth in August for a scheduled engineering period. Her second set of sea trials should begin this week, weather permitting. She remains on track to be accepted into the Royal Navy this year.

Suella Fernandes: Will my hon. Friend confirm that, as well as projecting global Britain's power for the next 50 years, HMS Queen Elizabeth and HMS Prince of Wales will provide long-term skilled job opportunities and training for people in Portsmouth and its neighbouring constituencies such as mine?

Harriett Baldwin: My hon. Friend is absolutely right to point out that this is not only about the 10,000 people who have worked on getting the ship to the point where she is now, but about long-term sustainment over the next 50 years. May I take this opportunity, Mr Speaker, to put on record my appreciation to the Fareham company Boskalis Westminster Ltd, which did a lot of the dredging of Portsmouth harbour?

Mr Speaker: Ah, splendid!

Vernon Coaker (Gedling) (Lab): Will the Minister update the House on what is happening with regard to ordering the aircraft for the aircraft carrier? It would be handy to have an update on that.

Harriett Baldwin: I am pleased to be able to update the hon. Gentleman. As he will know, we already have 12 F-35 aircraft and they are already flying in the US. We will have 14 by the end of the year. Next year, we are on track to stand up the first squadron in the UK. I am pleased that I was able to announce last week that the F-35 has successfully completed the trials on the ski jump in the US and is now cleared to take off from the carrier.

Armed Forces: Pay

8. **Matt Rodda** (Reading East) (Lab): What steps his Department is taking to improve satisfaction rates on pay in the armed forces. [901307]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): Following the recession, there has been a requirement for fiscal responsibility to manage the deficit, but today we need to balance protecting jobs in the public sector, being fair to public sector workers

and, of course, being fair to taxpayers who pay for it. Armed forces pay rates are recommended by the independent Armed Forces Pay Review Body. We look forward to receiving its next set of recommendations for 2018-19.

Matt Rodda: The Government are fond of saying that they value our armed forces personnel, yet back in June every Minister and every Cabinet member, including the Defence Secretary himself, voted against lifting the public sector pay cap for our armed forces. Is this not proof that their commitment to our brave men and women is only skin-deep?

Mr Ellwood: The Opposition have a habit of spending money that they do not have. We need to take various things into consideration. Much as we would like to move forward with breaking the 1% pay cap, we have to bear in mind that the Armed Forces Pay Review Body takes into consideration banded progressive pay, subsidised accommodation, a range of allowances—including the X factor, which I am sure the hon. Gentleman will be aware of—and the basic salary, which remains competitive, as well as comparisons with the private sector. It is for the Armed Forces Pay Review Body to make its decisions, and we look forward to that.

Mr Speaker: Did I hear the Minister banging on about “The X Factor”? This may require some elaboration for some colleagues, I think, but never mind.

Nia Griffith (Llanelli) (Lab): In spite of increases in accommodation costs and cuts to tax credits, the Government have slashed the starting pay of an Army private by over £1,000 in real terms. This is no way to treat our loyal armed forces, and it will do nothing to resolve the crisis in recruitment and retention. Will the Government now change their priorities, stop thinking about the £2.5 billion tax giveaway they are giving to the big companies and the wealthy, and commit to freeing up the Armed Forces Pay Review Body, so that it is not constrained by the 1% pay cap, allowing it to give a proper pay rise to our armed forces personnel?

Mr Ellwood: I am not sure where the hon. Lady has been, but there is now that flexibility. There is no longer the pressure to remain within the 1%—it has been removed. I wish that her enthusiasm for the armed forces would rub off on the Leader of the Opposition, who has no support or respect for the armed forces, and no respect for NATO, and wants to get rid of our nuclear deterrent.

Armed Forces: Mental Health

12. **Mr Shailesh Vara (North West Cambridgeshire) (Con):** What plans he has to improve mental health support for armed forces personnel. [901311]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): We must recognise that historically mental health has not received the same attention as physical wellbeing. I am therefore pleased that in July we published our new mental health and wellbeing strategy, which comprehensively addresses this. I hope that that will lead to a cultural change in challenging the stigma and improving the mental fitness of our armed forces personnel and, indeed, their families.

Mr Vara: I am grateful to the Minister for those comments. Does he agree that it is important not only that we provide better treatment for our veterans, but that the public appreciate that the vast majority of veterans who leave the armed forces do so all the better for having served, rather than as damaged individuals?

Mr Ellwood: My hon. Friend makes such an important point. I think that the whole House respects and reveres our armed forces, but we need to bury the myth that someone who joins the armed forces is more likely to have mental health problems, more likely to have post-traumatic stress disorder and more likely to commit suicide than the general population. That is absolutely not the case. We have 2.5 million veterans in this country, and 15,000 leave every single year. Of those, 90% get into jobs or education within six months. Of course some of them, through no fault of their own, require support, and we need to make sure that we provide it.

Leo Docherty (Aldershot) (Con): Veterans have done their duty and we must ensure that we do ours by them. Can the Minister say a few words about what extra steps are being taken by the Armed Forces Covenant and Veterans Board to address this critical issue?

Mr Ellwood: I am pleased to say that this was a manifesto commitment. We need to recognise that it is not just the MOD that looks after our veterans' interests; that happens across Whitehall. My right hon. Friend the Secretary of State will be chairing the first meeting of the board on Thursday.

My hon. Friend asks about the covenant, which is very important even though it is in its infancy. It encourages businesses to employ veterans and allow reservists to go on their training, and it provides deals for regular members of the armed forces.

Martin Whitfield (East Lothian) (Lab): The Veterans Welfare Service is committed to enhancing veterans' quality of life, and its main objective is the efficient delivery of core services. My constituent, Scott Garthley, has had a very different experience, with his records failing to display his veteran status and with the loss of his national insurance payment records. Will the Minister meet my constituent to discuss these matters?

Mr Ellwood: I make it clear that if any hon. Member has such a situation, I would be more than delighted to make sure that we understand what support can be provided. That is the duty of this House, the MOD and the nation. Working out which way to turn can be confusing. There are 450 charities out there, and the Veterans Gateway programme, which was launched this July, provides that support. I would be more than delighted to meet the hon. Gentleman.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op) rose—

Mr Speaker: The hon. Gentleman has a look of statesmanlike gravity on his face. I am keen to know the source.

Mr Sheerman: I am very worried about the complacency in the Minister's answers. Why is it that Crisis and so many other charities that work with homeless people

and people who are sleeping rough find that a huge percentage of them are ex-military personnel? What are we doing about it?

Mr Ellwood: That is another example of a myth that we need to bust. I pay tribute to the local authorities and the charities that are doing their work. Where we are failing, if we are failing, is in not communicating where the support for our brave veterans is. That is something that we all need to work towards.

Amphibious Ships

13. **Helen Goodman** (Bishop Auckland) (Lab): What recent assessment he has made of the role of amphibious ships in the Royal Navy. [901312]

The Minister for the Armed Forces (Mark Lancaster): The tremendous work of RFA Mounts Bay last month in the Caribbean in response to Hurricane Irma demonstrated the versatility of amphibious ships in the Royal Navy.

Helen Goodman: It did indeed, but people in County Durham will be very alarmed that there appears to be a question mark over the future of HMS Bulwark. She is one of the newest amphibious ships; she has been the fleet flagship; and she has been used to rescue migrants in the Mediterranean. Surely, would not a decision to decommission her early be a false economy?

Mark Lancaster: I, too, have read the speculation in the press, and it is just that. As we have discussed at Defence questions today, a national security and capability review is taking place. It is very important that we have that review, which is about trying to bring together our capabilities with our investment. Equally, the hon. Lady will recognise that, while that capability review is ongoing, it would be entirely inappropriate for me to pluck out individual capabilities and comment on them.

Mr Speaker: I see the Minister of State is enjoying the benefits of family encouragement. This is something that we enthusiastically welcome.

Sir Roger Gale (North Thanet) (Con): In welcoming my hon. Friend's assurance that the future of our amphibious capability is under active and positive consideration, may I say, as one who has been privileged to spend a little bit of time on HMS Bulwark, that she is a magnificent fighting ship? She punches well above her weight. She has served this nation very well, and to remove her from service would be an absolute tragedy.

Mark Lancaster: I recognise my hon. Friend's support, and indeed the support of colleagues from across the House who feel strongly on this matter. We enjoy an amphibious capability; of course, it is not just Albion and Bulwark. Albion is about to step up into the high-readiness role for the next five years and Bulwark will be going into the low-readiness role, but there are also the three Bay class ships and we will be investing in amphibious capability for the Queen Elizabeth class as well.

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): As the Member of Parliament who represents the dockyard and naval base where Albion and Bulwark

are base-ported, may I ask the Minister to speed up this review? There are lots of people who are very concerned about their jobs and the local economy if Albion and Bulwark and the Royal Marines are scrapped?

Mark Lancaster: Once again, the hon. Gentleman seems to be unnecessarily adding fuel to the speculation—indeed, perhaps even scaremongering—among his own constituents, which I do not think is particularly valuable. What I will say is that the review will be completed in a timely manner, but it is important to get it right.

Wendy Morton (Aldridge-Brownhills) (Con): Will my hon. Friend confirm that, in taking decisions about our amphibious capability and other issues, he will always be guided by military advice on what capabilities we need?

Mark Lancaster: That is a very fair point. Indeed, at the moment, no advice has been put on Ministers' desks about the outcome to which the review is leading, but it will be based firmly on military advice.

Former Armed Forces Personnel

15. **Rachael Maskell** (York Central) (Lab/Co-op): What personal information his Department holds on former armed forces personnel. [901314]

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): The Ministry of Defence holds personal information on former armed forces personnel for lawful defence and security purposes. Information is held if the individual is receiving an armed forces occupational pension, has made a claim for compensation, or is being provided with welfare assistance. The MOD is determined to ensure that veterans who require help are provided with appropriate support through the Veterans UK helpline and website, the welfare service and the veterans information service.

Rachael Maskell: The help has not been available to my constituent Mr Joseph Palmer, who has lived in the UK since he was three. He served our country as a regular in the Army between 2008 and 2014, and served in Afghanistan. The only place that holds his records is the MOD, because the immigration and visa service has lost his details and his documents. Will the Minister work with me to ensure that my constituent can remain in and work in the UK?

Mr Ellwood: I will be delighted to meet the hon. Lady to discuss this case.

Bob Stewart (Beckenham) (Con): Will the Minister assure me that medical records of former personnel are accurately passed to general practitioners? It is a long time ago now, but mine were not, and there was no record of my being badly hurt and spending six months in hospital. My general practitioner was amazed.

Mr Ellwood: My hon. Friend makes a valid point. It is important that we get these things right. As those who have served in the armed forces depart, we need to make sure that we provide the service that veterans deserve.

22. [901321] **Chris Elmore** (Ogmore) (Lab): One of the ways in which the Minister could ensure better information is stored is through the national census. The Office for National Statistics said last week that former armed forces personnel should be included as a new question on the census. What is his response to the ONS?

Mr Ellwood: I am delighted to say that I am very supportive of that. The more information we have to help us understand who veterans are—whether through a veterans identity card; through changing the driving licence so that it has a symbol to show that people are veterans, which we are looking at with the Secretary of State; or, indeed, by showing that on GP records—the more we can support veterans, and that is the direction of travel in which we should go.

Leaving the EU: Defence Spending

18. **Hugh Gaffney** (Coatbridge, Chryston and Bellshill) (Lab): What recent assessment he has made of the potential effect of the UK leaving the EU on defence spending. [901317]

The Secretary of State for Defence (Sir Michael Fallon): Leaving the European Union should not affect our defence spending. Our commitment to European security will continue when we leave. We are committed to meeting the NATO guidelines of spending at least 2% of GDP on defence and to increasing the defence budget by at least 0.5% above inflation in every year of the Parliament. That will enable us to deliver smarter, stronger defence in the face of intensifying threats.

Hugh Gaffney: With the uncertainty surrounding Brexit, the pound is in free-fall. What action is the Secretary of State taking to ensure that costs are kept under control for future equipment that must be paid for in US dollars, such as the F-35 and Apache helicopter?

Sir Michael Fallon: Like any large organisation, we take precautions against movements in the currency. We continue to ensure that we get the best value for money from all parts of our equipment programme.

Topical Questions

T1. [901339] **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Sir Michael Fallon): The Government have a strong record of supporting our armed forces and delivering a growing defence budget. Since July, we have led the response to Hurricane Irma, published a new national shipbuilding strategy, supported the defeat of Daesh in Raqqa and continued to lead in NATO. I congratulate all those service personnel and veterans who competed so well in the recent Invictus games.

Stephen Metcalfe: Growing the supply of engineers is one way in which the Government can support both the armed forces and the defence industry. Will my right hon. Friend tell the House what action his Department is taking to support next year's Year of Engineering to ensure that we inspire the next generation of engineers?

Sir Michael Fallon: We recruit, train and employ more than 55,000 engineers. We will work as a partner with the Department for Transport on its Year of Engineering 2018 initiative. Each of the single services will play a role in promoting that initiative through science, technology, engineering and maths outreach, helping to deliver a bright future for engineering in the United Kingdom.

Wayne David (Caerphilly) (Lab): Given the announcement of nearly 2,000 job losses at BAE Systems, will the Government bring forward their order for new Hawk aircraft for the Red Arrows to maintain industrial capacity?

The Parliamentary Under-Secretary of State for Defence (Harriett Baldwin): May I use this opportunity to put on record what a wonderful job the Red Arrows do for the UK around the world? I congratulate them on the successful 11-country tour from which they have just returned. The hon. Gentleman will know that the Hawk is an important training aircraft for the RAF. We have 75 of them and expect them to last until 2030. We are pursuing a range of export opportunities around the world.

T4. [901342] **Kevin Hollinrake** (Thirsk and Malton) (Con): Will my right hon. Friend confirm the Government's commitment to NATO and to the collective defence of its members, which has kept the peace for more than 70 years? Will he condemn those who would withdraw from NATO and abandon our allies?

Sir Michael Fallon: NATO is the cornerstone of our defence. We are leading the battlegroup in Estonia, we have sent troops to Poland and we have sent RAF Typhoons to Romania. By contrast, the Leader of the Opposition does not support collective defence and Young Labour has just voted to withdraw from NATO.

T2. [901340] **Mr Jim Cunningham** (Coventry South) (Lab): Will the Secretary of State give us an up-to-date report on the implementation of the armed forces covenant, bearing in mind that it was a Labour Government who introduced it in the first place?

The Parliamentary Under-Secretary of State for Defence (Mr Tobias Ellwood): As I mentioned earlier, the covenant is very important. It is a bond between the nation and our armed forces; it makes sure that they are looked after and are not disenfranchised. It is in its infancy and we must remember that it has a long way to go. We look at how the United States, for example, looks after its veterans through practical measures. Our reverence and love are no different, but we have a long way to go practically to give our veterans the respect they deserve.

T7. [901345] **Mr Laurence Robertson** (Tewkesbury) (Con): Do the Government plan to provide mid-life upgrades to the Typhoon and Chinook?

Harriett Baldwin: We will create two additional frontline squadrons from our existing fleet and extend Typhoon in service until 2040. The Typhoon's capabilities are constantly evolving through initiatives such as Project Centurion. We will also upgrade our Chinook heavy-lift helicopter to extend its life into the 2040s.

T3. [901341] **Wera Hobhouse** (Bath) (LD): The Government's intention to come out of the single market and the customs union will affect the complex supply chains in defence procurement. Has the Minister made a full assessment of the implications of Brexit for defence procurement, taking into account the complex supply chains?

Harriett Baldwin: I assure the hon. Lady that an extensive programme of work is under way not only in the Ministry of Defence, but with our colleagues in the Department for Exiting the European Union. We are very conscious of the importance of those supply chains.

T9. [901347] **Dr Julian Lewis** (New Forest East) (Con): Given the concern on both sides of the House about the prosecution of Northern Ireland veterans up to 40 years after incidents occurred for which no new evidence is available, what would the Secretary of State's reaction be to an approach from the main Opposition party to see whether some form of consensus could be agreed on how to prevent that from happening?

The Minister for the Armed Forces (Mark Lancaster): There is broad agreement within Northern Ireland that the current systems and structures for dealing with the legacy of the troubles are not delivering enough for victims, survivors and wider society. We are working with the Northern Ireland Office to ensure that investigations are fair and proportionate, and that they focus on terrorists, not the personnel who kept us safe. We think that there should be, and would welcome, further discussions.

Mr Speaker: I call Martin Whitfield.

Martin Whitfield (East Lothian) (Lab): My apologies, Mr Speaker. I have already asked a question.

Mr Speaker: I know you have already asked a question, but there is no bar on a second if the mood takes you. Don't feel you need to apply a self-denying ordinance. Repetition in this place is not an uncommon phenomenon.

T5. [901343] **Martin Whitfield:** I will try to avoid repetition, Mr Speaker. Is the Minister aware that national insurance records are failing to be handed over to veterans' groups, so veterans cannot be identified when they are making a benefit application?

Mr Ellwood: I was not directly aware of that point. I meet three or four charities every single week. I will raise that issue, which goes back to my point about veterans receiving the support they deserve. If the hon. Gentleman would like to write to me with more detail, I would be grateful to receive his letter.

T10. [901348] **Tom Pursglove** (Corby) (Con): Will my hon. Friend join me in commending the members of the armed forces who provided such brilliant support to those suffering at the hands of Hurricane Irma, and set out for the House what difference those efforts have made?

Mark Lancaster: I am sure my hon. Friend speaks for the whole House. The military response to Hurricane Irma was swift. RFA Mounts Bay was pre-positioned. At the peak, we had nearly 2,000 troops on the islands, who were deployed very quickly. Through the use of helicopters and other support, they managed to get aid

to areas that simply would not have received it had there not been military intervention. I take this opportunity, on behalf of the whole House, to thank the armed forces for their efforts.

T6. [901344] **Melanie Onn** (Great Grimsby) (Lab): Will the Minister please confirm to the House when the outcome of the armed forces compensation scheme quinquennial review will be published?

Mr Ellwood: As nobody else is getting up, I will jump to my feet. I look forward to presenting the armed forces quinquennial review in the very near future.

Sir Hugo Swire (East Devon) (Con): Five ships of the Royal Navy have been named HMS Exeter after Devon's county capital, the first in 1680. Does my hon. Friend agree that it would be entirely appropriate if one of the new frigates continued that great tradition?

Harriett Baldwin: My right hon. Friend makes a very compelling case, as have many other colleagues from all parts of the House. I am sure he will welcome the fact that an offshore patrol vessel, HMS Tamar, is currently being built.

T8. [901346] **Bill Esterson** (Sefton Central) (Lab): It must be in the national interest to retain domestic military aircraft manufacturing capability. If the Government do not bring forward a replacement for the Red Arrows, how will they guarantee that domestic capacity while military orders are secured for the long term at BAE, given the current shortage of orders?

Harriett Baldwin: The hon. Gentleman makes an important point, because we have such strong leadership in this area. What I would say is this: it is also important that we show cross-party support for the many export campaigns BAE Systems is involved in around the world. I urge him to do what he can with his leader and the Opposition Front-Bench team to do that.

Jack Lopresti (Filton and Bradley Stoke) (Con): Given that Typhoon is scheduled to leave service in 2040, what steps is my hon. Friend taking to procure the next generation of fighter aircraft given the potential opportunities for export, and to preserve and maintain our sovereign defence capability?

Harriett Baldwin: Again, a very important question. On the support we are giving to Typhoon exports around the world, I was delighted that recently my right hon. Friend the Secretary of State was able to sign a statement of intent with Qatar. We will continue with that effort, as well as considering our options on a replacement.

Gavin Robinson (Belfast East) (DUP): The Secretary of State was most welcome to my constituency four weeks ago, albeit to name a ship that was built in Glasgow. When does he intend to visit Glasgow to announce naval shipbuilding in Belfast?

Sir Michael Fallon: I hope the hon. Gentleman shared my pride in restoring again the name of HMS Belfast to a warship of the line. I will certainly bear his suggestion in mind next time I am in Glasgow.

Robert Jenrick (Newark) (Con): My constituent, Aiden Aslin, has just returned to Newark after fighting with the Kurdish peshmerga and helping to defeat IS in Syria and northern Iraq. He is one of hundreds of British citizens who have done the same. Will my right hon. Friend the Defence Secretary note the contribution and bravery of these British citizens but seek strongly to dissuade other young people from taking that extremely dangerous course in future?

Sir Michael Fallon: I certainly note that. I advise any British citizen wanting to go to fight against Daesh/ISIS that the way to do so is to join our armed forces, and to get the professional training necessary and the respect for international humanitarian law that goes with it.

Angela Smith (Penistone and Stocksbridge) (Lab): It is 35 years since HMS Sheffield was sunk in the Falklands war, and my constituents believe it is about time that another Royal Navy ship was named after our great city. Will the Secretary of State ensure that the relevant committee gives full consideration to ensuring that we can enjoy the third HMS Sheffield?

Harriett Baldwin: The hon. Lady makes a poignant appeal for another ship to be named HMS Sheffield, and I am sure that her representations will have been heard by the relevant committee. I am pleased we are building so many new ships in this country that we can have all these new names.

Vicky Ford (Chelmsford) (Con): Engineers at BAE in Chelmsford were critical in developing the Sampson multi-function radar, the Sea Wolf missile tracking radar and the highly innovative T994 two-dimensional radar. When it comes to the next generation, the ballistic missile defence radar, will the MOD consider employment as well as capability and make sure that these skills stay in Britain?

Harriett Baldwin: My hon. Friend will be pleased to know that we do not have to distinguish between the two things, because the radars made by BAE Systems are unrivalled around the world.

Dan Jarvis (Barnsley Central) (Lab): I agree with what the Secretary of State said about Daesh, but he will know that one thing that separates them from us is that we are bound by the rule of law, specifically rules of engagement. Will he confirm that our conduct will always be bound by the Geneva convention?

Sir Michael Fallon: Absolutely. That is one of the things that distinguishes our armed forces from Daesh—the way in which it has unscrupulously used civilians to prosecute its case.

Mr Speaker: I think we should hear from a member of the Defence Committee.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The Secretary of State's own permanent secretary said last Tuesday to the Defence Committee, on the subject of the F-35 programme:

“We will not be in a position to be able to give a precise view as to what the whole of this very complicated programme will be until 2035”.

Does that not put paid to the Secretary of State's incredible claim that eight Type 26 frigates would provide work on the Clyde till 2035?

Harriett Baldwin: It puts paid to the idea that anyone can forecast a budget two decades out and get it down with pinpoint certainty, which is something I know the Scottish Government might also find difficult.

Dr Sarah Wollaston (Totnes) (Con): On a point of order, Mr. Speaker.

Mr Speaker: Exceptionally, I will take this point of order now. It is germane and should be heard by occupants of the Treasury Bench.

Dr Wollaston: It is now more than four months since the general election, but still the Liaison Committee cannot meet formally to carry out its functions on behalf of the House. Will you assist us, Mr Speaker, because I am afraid that repeated representations from across the House by Select Committee Chairs are not yet making a difference in ensuring that all Select Committees are properly constituted?

Mr Speaker: I am grateful to the hon. Lady for her point of order. It is absurd and indefensible that more than four months after the state opening of Parliament, that Committee, which, of course, consists of the Chairs of the Select Committees, has yet to be constituted. I might add—almost in parentheses, because I am sure that the hon. Lady will feel empathy with other colleagues on this front—that the same situation, I think, applies to the European Scrutiny Committee, and also to another Committee which is not a Select Committee but which is a Committee of Parliament, and a very important Committee at that, namely the Intelligence and Security Committee. Those Committees are there to scrutinise the Executive branch.

I discussed this important matter in a most co-operative exchange with the Leader of the House at the start of the summer recess, and I know that she used her best endeavours, with others, to ensure the constitution of many of the Select Committees some little while ago. However, the fact that the remaining Committees are as yet unconstituted is simply not acceptable.

It would obviously be most unfortunate if it were necessary for Members to keep raising points of order day after day after day after day before those Committees were established, and, as I am sure the whole House would want to avoid such an embarrassing fate, I can only assume that proper action will now follow. However, the hon. Lady is always attentive to her responsibilities, and I am certain that, in the grisly event that it is necessary for her to raise a further point of order, she will not hesitate to do so.

European Council

3.36 pm

The Prime Minister (Mrs Theresa May): With permission, Mr Speaker, I will make a statement on last week's European Council.

Long after we have left the European Union, the UK will continue to be a strong and committed partner, standing alongside our neighbours and working with them to advance our shared values and interests. This Council provided a further opportunity to demonstrate that ongoing commitment, through discussions that included migration, the digital single market, Turkey, North Korea and Iran, and it made important progress in moving towards the new, deep and special partnership with the European Union that we want to see.

On migration, the UK is playing its full part. The Royal Navy has intercepted 172 smuggling boats and saved more than 12,000 lives since Operation Sophia began. Our National Crime Agency is working with Libyan law enforcement, enhancing its capability to tackle the people-smuggling and trafficking networks. At the Council, we welcomed the reduction in migrant crossings and the renewed momentum behind the Libyan political process; but we must also continue to address the root causes driving people across the Sahara and the Mediterranean, so the UK is also continuing to invest for the long term in education, jobs and services, both in countries of origin and countries of transit.

On the digital single market, it is right to keep up the pressure on completing its implementation by the end of 2018. That will continue to benefit us even after we have left the European Union. At the Council, I also argued that the free flow of data was key to unlocking the potential of Europe's digital trade, and we secured conclusions which recognised that. As the Government set out in a paper over the summer, such arrangements will be an important part of the future relationship between the UK and the EU.

Let me now turn to the discussions on Turkey. We share concerns over the arrests of EU nationals and others defending human rights. I raised that personally with President Erdogan when we met at the UN General Assembly, and we are publicly calling on Turkey to protect freedom of expression and to release those defending human rights. At the same time, I believe that we must take a long-term view of the enduring importance of our relationship with Turkey, which is a vital partner in ensuring a secure and prosperous European neighbourhood. We must also continue to recognise the challenges to which it is responding, not least the military coup that it faced only 16 months ago.

We must continue to work with Turkey as our ally and partner, particularly as we respond to the shared challenges of terrorism, migration and instability in the middle east. In so doing, however, we must do all that we can to convince Turkey that it must demonstrate its commitment to human rights and the rule of law. To turn away from Turkey now would undermine those who seek to secure a European future based on our shared values.

On North Korea, we welcomed the EU sanctions that were adopted last week, and reaffirmed our clear condemnation of North Korea's aggressive and illegal missile and nuclear tests. We urged all states, including

China, to play their part in changing the course that Pyongyang is taking. As for Iran, the Council built on the joint statement made by Chancellor Merkel, President Macron and myself last week, reiterating its firm commitment to the nuclear deal. The deal was the culmination of 13 years of diplomacy and is a major step towards ensuring that Iran's nuclear programme is not diverted for military purposes, which is vitally important for our shared security. We are continuing to work particularly closely with our French and German allies on that crucial issue.

Turning to our negotiations to leave the European Union, I shared the vision I set out in Florence for a creative and pragmatic approach to a new, deep and special partnership between the United Kingdom and the European Union: a partnership based on the fundamental beliefs we share—in democracy and the rule of law, but also in free trade, rigorous and fair competition, strong consumer rights, and high regulatory standards. I have also been clear that the United Kingdom is unconditionally committed to maintaining Europe's security. Both sides have approached these talks with professionalism and in a constructive spirit, and we should recognise what has been achieved to date.

On citizens' rights, both sides share the same objective of safeguarding the rights of EU nationals living in the UK and of UK nationals living in the EU. This has been my first priority from the very beginning of the negotiations, and it remains so. The negotiations are complicated and deeply technical, but in the end they are about people, and I am determined that we will put people first. EU citizens make an extraordinary contribution to our national life and we want them to stay. I know that EU member states also value the UK nationals living in their communities, and I want them to have their rights protected, too. We are united on the key principles, and while there are a small number of issues that remain outstanding, we are in touching distance of a deal.

This agreement will provide certainty about residence, healthcare, pensions and other benefits. It will mean that EU citizens who have paid into the UK system, and UK nationals who have paid into the system of an EU27 country, can benefit from what they have put in. It will enable families who have built their lives together to stay together, and it will provide guarantees that the rights of those UK nationals currently living in the EU, and EU citizens currently living in the UK, will not diverge over time.

We will also ensure that the implementation of the agreement we reach does not create complicated and bureaucratic hurdles. For example, I have said that applying for settled status will cost no more than a UK passport, and that people applying will no longer have to demonstrate comprehensive sickness insurance. We will also do everything possible to work closely with EU member states to ensure that their processes are equally streamlined for British nationals living in their countries.

We have also made significant progress on Northern Ireland, where it is absolutely imperative that joint work on the peace process is not affected in any way. The Belfast agreement must be at the heart of our approach, and we have clearly agreed that the unique circumstances across the whole of the island of Ireland will require specific solutions. There will not be any physical infrastructure at the border, and we have also developed

joint principles to ensure the continuation of the common travel area. These principles will fully preserve the rights of UK and Irish nationals to live, work and study across these islands, and protect the associated rights to public services and social security.

This Council provided an opportunity to assess, and reflect on, how to make further progress in the negotiations. My speech in Florence made two important steps which have added a new impetus. First, I gave two clear commitments on the financial settlement: that the UK will honour commitments we have made during the period of our membership; and that none of our EU partners should fear they will need to pay more or receive less over the remainder of the current budget plan as a result of our decision to leave. As the House would expect, we are going through our potential commitments line by line, and that detailed work continues. Secondly, I proposed a time-limited implementation period based on current terms, which is in the interest of both the UK and the EU.

At this Council, the 27 member states responded by agreeing to start their preparations for moving negotiations on to trade and the future relationship we want to see. The Council conclusions call for work to continue with a view to being able to move to the second phase of the negotiations as soon as possible, and President Tusk in his press conference was clear that the EU's internal work

“will take account of proposals presented”

in the Florence speech, and, indeed, that this agreement to start preparatory discussions would not be possible without the new momentum given by that speech.

So I am ambitious and positive about Britain's future and these negotiations. If we are going to take a step forward together, it must be on the basis of joint effort and endeavour between the UK and the EU, but I believe that by approaching these negotiations in a constructive way—in a spirit of friendship and co-operation—we can and will deliver the best possible outcome that works for all our people, and that belief was shared by other European leaders.

We are going to leave the European Union in March 2019, delivering on the democratic will of the British people. Of course, we are preparing for every eventuality to ensure we leave in a smooth and orderly way, but I am confident that we will be able to negotiate a new, deep and special partnership between a sovereign United Kingdom and our friends in the European Union. That is my mission, that is this Government's mission, and I commend this statement to the House.

3.45 pm

Jeremy Corbyn (Islington North) (Lab): I would like to thank the Prime Minister for giving me an advance copy of this statement. I too want to underline the importance of respect for human rights and democracy in Turkey, and say to the Government of Turkey that imprisoning journalists and lawyers is not part of that process and is not acceptable. Also, we need to defend the Iran nuclear deal, which was rightly defended at the EU Council last week. We must all do everything we can to defend it and to prevent the proliferation of any nuclear weapons.

I also commend the service of the Royal Navy in Operation Sophia which, as the Prime Minister pointed out, has already saved thousands of lives.

In relation to Libya, nothing is more pressing than securing a viable long-term peaceful settlement to that country's problems. Given the language used by her Foreign Secretary on this matter, the Prime Minister might need to take the lead on this, just as she has had to take over the lead from her Brexit Secretary on negotiations with the EU.

I am beginning to feel a worrying sense of groundhog day every time the Prime Minister gives us an update on the progress of negotiations. Only two weeks ago, she told the House that her speech in Florence had put momentum into the article 50 negotiations and that an agreement on phase 1 of the talks was within touching distance. Well, here we are again, after another round of talks, and we are still no clearer as to when negotiations on Britain's future with our largest trading partner will actually begin, and still no clearer as to what exactly she has agreed to in phase 1 of the talks.

In what are the most crucial negotiations in our country's recent history, we are clearly stuck in an impasse. There has been no real progress abroad, and no progress at home, especially given the fact that the Prime Minister's European Union (Withdrawal) Bill has been delayed, presumably to allow the Government Whips to pull together the splits in her own party. Maybe she can shed some light on all this confusion, which has only been escalated by members of her own Government. For instance, the Home Secretary says that no deal with the EU would be “unthinkable”. The Brexit Secretary still maintains that no deal must be an option, while the Secretary of State for International Trade says that leaving without a deal

“would not be the Armageddon that people project”.

Does the Prime Minister believe that an outcome that is not Armageddon might be setting the bar a bit too low?

The Prime Minister will also be aware that leaders of every major business organisation have written to her today urging her to provide clarity, and quickly. Across the UK, businesses in every region and nation are clear that they need a transition deal with the EU to be put in place as soon as possible so that they can take investment decisions in order to protect jobs and investment in this country. I know that the Prime Minister has talked about the need for an implementation period after we leave the EU, but she has not been clear about the terms and conditions involved. Can she tell us now what she means by accepting the same basic conditions in an implementation period? Surely this can only mean remaining within the single market and the customs union for the transition period, as Labour has made clear.

On EU citizens' rights, the Prime Minister says, again, that an agreement is in reach. Can she tell us when the detail of that agreement will be ready to bring to the House and, more importantly, to show to all those people in this country and in the EU who are desperate to know what their future holds? That could have been dealt with 16 months ago. Instead, families are suffering anxiety, and some EU citizens are deciding to leave, including nurses from our national health service. If that had been resolved, as it should have been, hundreds of thousands of British nationals would also have the

[Jeremy Corbyn]

security that they need. Will the Prime Minister tell us what will happen to this specific agreement on citizens' rights if her Government fail to secure a final Brexit deal with the EU? Will the Prime Minister now do the right thing and guarantee the rights of citizens living in the UK, regardless of the outcome of the article 50 negotiations?

On the financial settlement, clearly some within the European Union need to stop briefing astronomical and unacceptable numbers, but will the Prime Minister confirm the reports that she privately assured European leaders that Britain would pay more than the offer she made in her Florence speech? If that is the case, is she confident that it would pass the red lines set out by the Foreign Secretary a few weeks ago? The Prime Minister hails the progress that she has made so far in these negotiations. The biggest battle that she faces is not so much with the other 27 European states the Chancellor so deftly described as "the enemy", but her battle to bring together the warring factions in her own Cabinet and party. The Prime Minister is too weak to do anything about it. The outcome of crashing out with no deal to become a deregulated tax haven—the dream of a powerful faction on her Back Benches and Front Bench—would be a nightmare for people's jobs and living standards. Labour's message is different and clear: only Labour can negotiate a Brexit and deliver an economy—*[Interruption.]*

Mr Speaker: Order. The Prime Minister's statement was heard with courtesy, and so will the response be. No further discussion or comment is required. That is the situation.

Jeremy Corbyn: I was making it clear that Labour's message is different and very clear indeed: only Labour can negotiate a Brexit and deliver an economy that puts jobs and living standards first, and that is what we are ready to do.

The Prime Minister: I welcome the right hon. Gentleman's comments on the Iran nuclear deal. It is important that we agree across the House that we should continue to support that deal. I also agree that what we of course want to see in Libya is a peaceful settlement that can enable that country to be stable and peaceful into the future. It is important that we all support the work that is being done by UN Special Envoy Salamé on this particular issue.

The right hon. Gentleman asked about the Brexit bill. What I set out to the European Council was what I set out in my Florence speech and what I have just repeated in my statement. He talked about us making no real progress. But:

"We haven't reached a final agreement, but it's going to happen."

And:

"I'd have a degree of confidence that we'll be able to get to the point of sufficient progress by December."

After the Florence speech, it was said

"there is a new momentum."

And the Florence speech was "a step forward". There "should be a positive response to the willingness to work on the interim period".

And:

"There has been established a momentum."

As it happens, those are not my words; they are the words of Chancellor Merkel, the Taoiseach, the Swedish Prime Minister, the Italian Prime Minister, the Polish Prime Minister and the Danish Prime Minister respectively, so I can assure the right hon. Gentleman that progress was indeed made. The Labour party talks about the need to move ahead in the negotiations. If Labour thinks it is so important, why did Labour MEPs vote against moving ahead in the negotiations?

The Leader of the Opposition talks about the withdrawal Bill as if it is something that Labour is very eager to see before the House. If it is so eager, why did it vote against the Bill on Second Reading and, in doing so, vote against bringing workers' rights and environmental standards into UK law?

Finally, the Leader of the Opposition spent a long time talking about no deal. Well, I can only assume that the Labour party wants to talk about no deal because it simply does not know what sort of deal it wants. It cannot decide whether it wants to be in the single market or not. It cannot decide whether it wants to be in the customs union or not. It cannot decide whether it wants a second referendum or not. It cannot decide whether it agrees with the continuation of free movement or not. And, worst of all, it says it would take any deal, whatever price it is asked to pay. That is not the way to get a good deal for the UK; it is the way to get the worst possible deal for the UK.

Mr Kenneth Clarke (Rushcliffe) (Con): Is it not clear that damaging delay will be caused if we do not make progress soon? The main problem is that other European leaders can see that a noisy minority in the Cabinet and on the Back Benches of the Prime Minister's own party have persuaded themselves that no deal at all is completely desirable, which causes European leaders to doubt whether she is able to produce a clear picture of where she eventually wants to go and whether she is able to produce a majority here for any agreement they have with her.

Has the Prime Minister considered appointing some trusted Minister—she may have already done so—to make approaches to leading Opposition Members to see whether they will live up to some of the things the Leader of the Opposition appears to say, and perhaps to do better, so that we can have consensus in this Parliament, in the national interest, at least on the outline of a transitional deal that will enable us to negotiate final details and arrangements that the majority of this House could agree are in the long-term interests of the United Kingdom?

The Prime Minister: That sounds rather like a job application.

It is clear from my interaction with European leaders that they recognise that the vision I set out in the Florence speech—for a deep and special partnership for the future, and also for an implementation period—did bring clarity on the thinking of the United Kingdom. The 27 have agreed that it is now for them to consider what they want to see from the future of that relationship so that the next stage of negotiations can begin.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I thank the Prime Minister for an advance copy of her statement.

I welcome some of the conclusions from the Council summit, particularly on migration and the stronger commitment on resettlement. The Scottish National party also welcomes the united approach on sanctions against North Korea and fully endorses the EU's call for North Korea to

“abandon its nuclear and ballistic missile programs”.

However, it is of deep concern that the ongoing crisis in Catalonia was not covered. EU citizens were brutally thrown to the floor while exercising their right to vote, and a Parliament was stripped of its constitutional status. What representations did the Prime Minister make to address that democratic outrage?

Last week, the EU27 voted unanimously to declare that there had not yet been sufficient progress on leaving the EU. It is clear that the negotiation sticking points are the same as before—the financial settlement, EU citizens' rights and the Irish border. Jean-Claude Juncker made a poignant remark:

“nobody explained in the first place to the British people what Brexit actually meant.”

How true, and no wonder this Government are in such a mess.

Today, the UK's five biggest business lobby groups have called for an urgent transition deal. Time is running out for the business community, and financial institutions are already giving notice or leaving London. Ireland has clinched deals with more than a dozen London-based banks to move operations from London. Ernst & Young has warned that 83,000 City jobs could be lost if the UK loses its euro-denominated clearing rights. Businesses need certainty, and we need to know the details of our future trading relationship and any transition deal before the end of the year. It is absolutely critical that we stay in the single market and the customs union. Will the Prime Minister end her Government's catastrophic ideological flirtation with a no-deal scenario? Take this off the table and do it today.

The Prime Minister: First, may I say to the right hon. Gentleman that I have spoken to Prime Minister Rajoy on the issue of Catalonia on a number of occasions, including when I saw him at the European Council? We are absolutely clear that the referendum had no legal basis. We want to see people upholding the rule of law and upholding the Spanish constitution.

On the wider issue the right hon. Gentleman talks about—the future relationship of the United Kingdom with the European Union—I have set out the vision we have for that. As I have just said in answer to the Leader of the Opposition, the EU27 will now be looking at their vision for this. I am sorry to have to repeat again to the right hon. Gentleman, because he has raised this issue in the past, that full membership of the single market and of the customs union go with the jurisdiction of the European Court of Justice and freedom of movement, and they were issues that were voted against when people voted to leave the European Union. They would effectively mean that we would remain in the European Union, and we are going to leave in March 2019.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): May I say to my right hon. Friend that she may wish to answer some of those who want certainty by reminding them that you cannot have agreement on an implementation period until you have something to implement? That is first and foremost. Secondly, during the course of her private discussions,—the ones that the acting President of the European Union, Martin Selmayr, has not put into the papers—did she remind her colleagues in the European Union that to reach a proper free trade arrangement they will need to have concluded those discussions before the summer of next year, otherwise it will be difficult to get things through in time, both in the European Union and here? Did she get an answer, therefore, about when they might like to start?

The Prime Minister: I thank my right hon. Friend, because he is absolutely right; as we have said on a number of occasions, the point of the implementation period is to put in place the practical changes necessary to move to the future partnership, and in order to have that you need to know what that future partnership is going to be. Obviously, in my discussions with other leaders I have raised the issue of the timetable we have, and of course the ultimate timetable that was set by the Lisbon treaty. He talks about knowing the details of the trade deal by next summer. Of course Michel Barnier himself has suggested that October 2018 might be the point at which it would be necessary to know that, but my right hon. Friend is absolutely right that of course there will need to be a period of time for ratification of any future arrangements by the various national Parliaments—and, as we know, this can be more than one in some of the countries concerned.

Hilary Benn (Leeds Central) (Lab): Can the Prime Minister explain why it is frequently said by those with whom we are negotiating that they do not know what the UK wants when it comes to a long-term deal? Does she think this has anything to do with the fact that the Cabinet appears not to have reached its own view yet about what the nature of that deal is going to be?

The Prime Minister: This is a negotiation and there will be different levels of detail at different stages of the negotiation. I have set out the vision for our future partnership and, as I have said in response to a number of remarks now, what happened at this European Council was that the EU27 agreed that they will now start the work of preparing their vision of what that future partnership will be, so that when we come to open those trade negotiations formally both sides have got that agenda and clearly know what those negotiations will cover.

John Redwood (Wokingham) (Con): Given business's understandable wish to deal with uncertainty, does the Prime Minister agree that the best course for a business that trades with Europe would be to prepare for a smooth transition to World Trade Organisation terms, which the Government can and will guarantee unilaterally, but to expect the Prime Minister to have good luck in bringing back something better?

The Prime Minister: It is absolutely right and important that business prepares for a smooth and orderly move to the future relationship we have. That is why I have proposed an implementation period, which I believe is

[*The Prime Minister*]

in the interests of businesses not only in the United Kingdom but in the European Union. As my right hon. Friend says, we are working to get the good deal that will also be not just in our interests but in the interests of the EU27.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): Further to the Prime Minister's answer to the right hon. Member for Chingford and Woodford Green (Mr Duncan Smith), the Secretary of State for Exiting the European Union said last week that

"a transition phase will be triggered only once we have completed the deal itself"—[*Official Report*, 17 October 2017; Vol. 629, c. 741.]

I understand that the Prime Minister's spokesperson said today that an implementation period is

"a bridge to where you are heading. You need to know where you are heading."

Will the Prime Minister clarify whether she is saying that if we have not agreed a long-term trade deal by this time next year, there will be no transition deal at all and Britain will end up on WTO terms by March 2019?

The Prime Minister: As I just said in my response to my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith), an implementation period is about a period of adjustment to the future relationship. That is the basis on which I have put it forward to the European Union, and that is the basis on which we will be negotiating an agreement on it.

Sir William Cash (Stone) (Con): Does my right hon. Friend accept that it is a potential bear trap if the European Court is directly involved in any implementation period? Its case law asserts its supremacy over our Parliament and our courts, and includes a commitment to the charter of fundamental rights and political integration.

The Prime Minister: As my hon. Friend knows, I have been clear that one of the intentions of people who voted for the UK to leave the EU was to ensure that in future the jurisdiction of the European Court of Justice no longer covered the United Kingdom. We will of course have to negotiate the basis of the implementation period. If we are going to ensure that we have the greatest possible certainty for business during that period, it will be necessary for us to see as little change during that period as is commensurate with that certainty for business. Indeed, one of the purposes of the European Union (Withdrawal) Bill is to bring the EU *acquis*—the EU law—into UK law to give that certainty to businesses and individuals here.

Sir Vince Cable (Twickenham) (LD): Until recently, the British Government were leading the negotiations to create a digital single market in Europe that would benefit creative industries. The Prime Minister said in her statement that it is right to aim for the completion of the digital single market by 2018, but will she explain how she expects to be taken seriously when she is in the process of trying to leave it?

The Prime Minister: The United Kingdom continues to lead in the debate on the creation of the digital single market. We believe that it is important for the EU27

and it is important for the UK in or out of the European Union. We will therefore continue to encourage the completion of the digital single market while we are members of the European Union. It will be important for us, once we have left the EU, that that digital single market has been created. We will forge a new relationship and partnership with it.

Anna Soubry (Broxtowe) (Con): I commend the Prime Minister's statement and the progress she has made in the EU negotiations. As we have heard, representatives of British businesses of all sizes and from all sectors have today written to the Government to warn of the consequences of no deal and relying on WTO rules. They said:

"The Government should give certainty to business by immediately ruling this option out under any circumstances."

Will the Prime Minister agree to listen to British businesses, and will she even go so far today as finally to rule out no deal?

The Prime Minister: We have of course been engaging with and listening to business. I was clear that the implementation period was something that business was very keen on having to ensure that businesses had that smooth and orderly process of withdrawal, but we are in a negotiation with the EU27, and it is important to remember as part of that negotiation that we want to get a good deal for the United Kingdom, but the best way to get a bad deal for the UK is to say that we will accept anything that they give us, regardless. We have to be clear that we are working for a good deal, and I am optimistic about that because we have made some progress and I believe that the good deal we are seeking is in the interests of both sides.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): Is it not the case that the business community will be shocked to hear the Prime Minister's words today, which seem to suggest that there will be no clarity on transition or implementation until we get a final deal in some number of months—or possibly longer—ahead? The business community wants to know that the cliff edge will not be there in March 2019. Will she not give a commitment now to treat attaining a transitional arrangement separately from trying to get a final deal?

The Prime Minister: I set out in my Florence speech the concept of the implementation period, and, of course, we have to discuss that with the EU27. I am confident that we will get a good deal precisely because getting a good deal is not just in our interests, but in the interests of the EU27 of the remaining European Union. That is what we are working for, and that is what our effort is going into.

Several hon. Members *rose*—

Mr Speaker: Ah yes, a Lincolnshire knight. I call Sir Edward Leigh.

Sir Edward Leigh (Gainsborough) (Con): May I commend the Prime Minister's approach based on the Florence speech, which is entirely sensible, pragmatic and moderate? Given that we are being entirely open about our negotiating tactics, which is that no European nation, or indeed any European citizens, should be

worse off, may I encourage her to be more transparent and open with Parliament on the figures? I know that the reserve position of Whitehall is that Parliament is a nuisance, but what else was Brexit about except reviving parliamentary democracy? We still have no idea what we have offered or what is being demanded. We could do with some more information because, ultimately, there will be a vote on this in the House and that will be a vote that counts.

The Prime Minister: Of course we have said that there will be a vote on the deal in this House and we expect that vote to take place before the European Parliament votes on the deal. I have also said—I said this in my Lancaster House speech in January—that when we are able to make information available, we will do so. As my hon. Friend and others may recall, I also said that we will not give a running commentary on the details of the negotiations. We must not put this country in a position where we set out publicly everything that we are looking for in these negotiations, because that just hands the cards to the other side. This is a negotiation, and both sides will have to move on it.

Mr Pat McFadden (Wolverhampton South East) (Lab): Given the report from the business groups today calling for transition, and the lust for the cliff edge being displayed by some on the Prime Minister's Back Benches, will she perhaps introduce some facts? Will she list any major economies in the world that trade with the EU on the basis of WTO rules alone, with no sectoral or other agreements in place?

The Prime Minister: The premise of the right hon. Gentleman's question is false. He seems to be suggesting that the purpose of the Government's negotiations is to, somehow, engineer a no-deal scenario; it is not. In terms of our future relationship with the European Union, we are working towards a deal and a good, deep and special partnership that covers both trade and security.

Nicky Morgan (Loughborough) (Con): May I follow that up? The tenor of the Prime Minister's negotiations last week and of her statement in the House today is very much, as she says, to seek a creative and pragmatic approach to a new, deep and special partnership. "Partnership" is the key word, is it not, because no partnership would be possible without dialogue within this House, with our European neighbours, with our fellow member states and within the Cabinet? Will she assure us that those talks will continue and that she will not listen to those, unfortunately sometimes on these Benches, who want talks to stop and us to go on to WTO rules?

The Prime Minister: I can assure my right hon. Friend that the negotiations are continuing. As I have said, we want to ensure, as we are doing, that we work towards getting a good deal. The purpose of my Florence speech was to set out a vision for that deep and special partnership in the future, and it is that partnership that the Government are working towards.

Joanna Cherry (Edinburgh South West) (SNP): There has been much talk today of the time-limited implementation period that the Prime Minister referred to in her Florence speech. Others have referred to it as a

transitional deal. Has there been any discussion with the EU27 as to what the legal basis of such a transitional period would be? Would it be article 50 or something else?

The Prime Minister: The European Union raised a similar concept to the implementation period in its April guidelines, and that would be on the basis of the article 50 process.

Mr Mark Francois (Rayleigh and Wickford) (Con): On the matter of North Korea, the Select Committee on Defence recently took evidence from a group of academics who argued that North Korea may already have an ability to reach the United Kingdom with a thermonuclear weapon. If that is true, does the Prime Minister agree that it would be the utmost folly to abandon our independent nuclear deterrent?

The Prime Minister: I absolutely agree that it would be folly to abandon our independent nuclear deterrent. There are many reasons why it is important for us to maintain and, as Parliament has voted, to upgrade our independent nuclear deterrent. It is also important because it is part of the collective defence of Europe that we provide as a member of NATO.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Government's position on the Brexit negotiations is simply absurd: the Prime Minister refused to rule out no deal just a moment ago; the Brexit Secretary was threatening no deal last week; and the Home Secretary was saying that no deal was "unthinkable". What is this going to cost the British taxpayer? The Home Secretary told us that £50 million is already being spent this year on contingency planning in her Department. How much is now being spent across Government, and how many nurses, doctors or police could that pay for?

The Prime Minister: I have already said at this Dispatch Box that the Treasury has set aside £250 million this year to be spent across Government Departments on preparing contingencies for every eventuality.

Vicky Ford (Chelmsford) (Con): I congratulate the Prime Minister on the great progress and change in tone of the negotiations. I particularly thank her for the progress that has been made on the citizens' rights issue. Will she give us more detail on the areas where agreement has been cemented?

The Prime Minister: There are a number of areas where agreement has been reached, such as payments on pensions and healthcare arrangements for both EU citizens here in the UK and UK citizens in the EU. There are a small number of areas where we have yet to reach agreement but, as I said in my statement, it is clear from both sides—from the UK and from Michel Barnier and the European Union—that we can see the shape of that deal and that we are within touching distance of getting there.

Ian Paisley (North Antrim) (DUP): I, too, welcome the Prime Minister's statement and look forward to progress being made, especially after December when we move to phase 2 of the negotiations. However, has the Prime Minister taken the opportunity to remind the Republic of Ireland's Taoiseach that it is about time that he started to pull his weight in the interests of the

[*Ian Paisley*]

Republic of Ireland, rather than attempting to throw his weight around on the issue of the border? All that he doing is potentially damaging his economy more than the economy of Northern Ireland. Will the Prime Minister make an impression on the Labour party's Front Benchers that when they visit Northern Ireland and threaten that the peace process is an exchange for Brexit, they are playing with fire and they ought not to encourage that beast?

The Prime Minister: It is very important that all sides are clear that we must ensure that the Belfast agreement is put into place, recognised and respected in its entirety. It is also important that we ensure that the peace programmes that have been possible through our membership of the European Union can continue. When it comes to resolving the issue of the border between Northern Ireland and the Republic, it will be for us to work with the Republic of Ireland Government and the European Union more generally to find a solution that we all want to see, whereby there is no physical infrastructure at the border and no return to the borders of the past.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I reassure my right hon. Friend that anyone who is suggesting that she is weak is seriously underestimating her, seriously underestimating the Conservative party, which supports her, and underestimating the importance of the referendum mandate and the fact that she obtained more votes than any other Conservative leader for 30 years? Will she stick to her guns, follow through and have confidence that the only people undermining her on the Conservative side are those who, unfortunately, are threatening to go into the Lobby with the Labour party?

The Prime Minister: I thank my hon. Friend for the confidence that he has shown in me. I am sure that all members of our party want to ensure that we get the best possible deal for the United Kingdom. That is what the Government are working to, and I look forward to everyone on the Conservative Benches supporting us.

Mr Ben Bradshaw (Exeter) (Lab): Did the EU Council discuss Russia, and in that context have the UK Government or their agencies been asked for help or information by the American congressional team or US special counsel Robert Mueller, who are investigating alleged Russian subversion of the US presidential election?

The Prime Minister: As it happens, on this occasion, Russia was not one of the subjects on the agenda of the European Union Council. As I say, we did discuss a number of foreign policy issues—North Korea and Turkey were on the agenda, but Russia was not.

Several hon. Members *rose*—

Mr Speaker: I call the good doctor—Dr Julian Lewis.

Dr Julian Lewis (New Forest East) (Con): If our EU friends were to demand a sum of, say, £1 trillion, rather than £100 billion, the position of the Opposition would have to be to accept that, because they would not walk away under any circumstances. Given that the Government would walk away under unacceptable circumstances of that sort, can the Prime Minister reassure us that all

necessary preparations will be made so that we can walk away without a deal if we need to, which will, of course, maximise the prospect of getting a good deal and not having to walk away?

The Prime Minister: Can I say to my right hon. Friend that, indeed, we are ensuring that the Government are preparing for all contingencies? That is a sensible, pragmatic approach for any Government to take. Of course, we are working for a deal, as I have set out in answer to earlier questions. Can I also thank my right hon. Friend for very graphically illustrating the position that has been taken by the Labour party, which is that it would simply pay any price for a deal, whatever?

Liz Kendall (Leicester West) (Lab): The Prime Minister says she wants a deep and special partnership with the EU, but some of her colleagues want a total and complete break. Is not the truth that her failure to resolve this fundamental issue is what stalled the negotiations and put the future of our country at risk?

The Prime Minister: No, the hon. Lady obviously failed to recognise the progress that was made at the European Union Council and the decision that was taken—that the EU27 will now be preparing their position in the negotiations on the future partnership and an implementation period in the lead-up to that partnership. In the Florence speech, I set out our vision for what that future partnership would look like, and it is now for them to look at what they believe that partnership should be in the future, and that is exactly what they are doing.

Mr Owen Paterson (North Shropshire) (Con): Last year, the European Union had a surplus with us of £71.8 billion. A report last week said that if we moved to tariffs, the German auto industry alone would lose 29,000 jobs. Was there any realisation at all, during my right hon. Friend's discussions, of the impact of not discussing free trade arrangements, because it is massively in the interests of our partners to maintain reciprocal free trade? Do they understand that they would lose far more if we moved to WTO than we would?

The Prime Minister: It is very clear that, across the European Union, it is recognised that we need to look at what a trade relationship in the future might be, precisely because, as I, my right hon. Friend and others have said, this is not just about the United Kingdom's future position; it is also about jobs in the economies in the EU27. As I say, the EU27 are now looking at what they think that partnership could be for the future, and, of course, as I am sure my right hon. Friend is aware, there are a number of organisations on the continent now starting to talk about the importance of this relationship for their businesses in the future.

Heidi Alexander (Lewisham East) (Lab): Could I ask the Prime Minister a question that the Brexit Secretary was unable to answer last week? Given that the Government now envisage a two-year transition period where the existing structures of rules and regulations apply, can she clarify whether a pharmaceutical company wanting authorisation to market a new cancer drug in the UK during transition would do so via the European Medicines Agency or a new system as yet undefined?

The Prime Minister: The intention of the implementation period is, as far as possible, to ensure that there is not a cliff edge so that people are able to operate on the same basis as they do at the moment as they put in place the necessary changes leading up to the future partnership. Of course, that implementation period, which is now going to be looked at by the EU27, will be part of future negotiations.

Mr John Whittingdale (Maldon) (Con): Does my right hon. Friend agree with the Committee on Exiting the European Union that it would be in the best interests of both sides if we could conduct the negotiations on the divorce settlement in parallel with those on our new relationship? Does she therefore agree further that any flexibility on the size of our exit payment must be linked to flexibility in other areas to be negotiated?

The Prime Minister: I, and the Government, have been very clear that the whole question of the financial settlement cannot be finally settled until we know what the future partnership will be. It is not that we are going to sign up to a deal and then negotiate what that future partnership will be, so once the formal negotiations on the future of the trade relationship, and of course the security relationship, have started, there will continue to be negotiations on issues which were initially identified as being in phase 1.

Stella Creasy (Walthamstow) (Lab/Co-op): Since the Brexit vote there has been a 96% drop in EU nurses registering to work here. With an NHS vacancy rate of 86,000 and rising, just how much bigger does this crisis have to get before the Government stop using these medics as bargaining chips and do something to make sure that there are nurses and doctors in our A&Es this winter?

The Prime Minister: First of all, I reiterate the point that I made in my statement and have made on a number of occasions—we value the contribution that EU citizens have made here in the United Kingdom and we want them to stay. The hon. Lady talks about numbers of nurses. There are more nurses in the NHS today than there were in 2010, and we have taken off the limit on the number of nurses who can be in training. There are 52,000 nurses in training, and there were two applicants for every nurse training place here in the United Kingdom.

Stephen Crabb (Preseli Pembrokeshire) (Con): Does my right hon. Friend agree that the progress achieved at the Council meeting demonstrates again that there is a weight of logic on both sides, both ours and the EU's, that lends itself to a deal being done? Will she reassure the House that in the important weeks ahead every ounce of effort will be marshalled right across members of her Government to achieve that end?

The Prime Minister: I absolutely agree with my right hon. Friend that this is in both our interests. I can reassure him that Government as a whole, collectively across every Department, are putting the necessary effort into looking at what legislation we need to bring forward but also at preparing for all eventualities once these negotiations have finished. The whole effort of Government is being put into this.

Tony Lloyd (Rochdale) (Lab): The Prime Minister has raised expectations about the situation between Northern Ireland and the Republic, and that is welcome. Having no physical infrastructure on the border must be welcomed by all parties. But is it conceivable that this can be done without real negotiation between Dublin and London, and of course with Brussels as well, and is it really possible that we can talk about no deal in that scenario?

The Prime Minister: It is not that expectations have been raised this time in relation to this—it is the position that we have taken, and consistently taken, since my Lancaster House speech in relation to not wanting to see a return to the borders of the past between Northern Ireland and the Republic of Ireland. As I said in answer to a previous question, ensuring that we get the solution to this will require us not just to work with the European Commission and with the EU27 but to work hard with the Republic of Ireland Government as well.

Mr John Baron (Basildon and Billericay) (Con): The Prime Minister is absolutely right not to rule out a no deal scenario. To do otherwise would be utterly naive. What assurances can she give that the implementation period will, indeed, be strictly time-limited?

The Prime Minister: The key issue is that this is about the period of time required to make the practical changes that are necessary to move to the future partnership. Of course, by definition, those changes will have a time limit to them. I have said that that will be around two years, on the implications of the practicalities of what we are looking at. It is absolutely essential that it is time-limited, because we will have left the European Union and we will be moving to a new partnership. People in the United Kingdom want to ensure that we get to that partnership and our new arrangement outside the European Union.

Mr Speaker: I call Dr Philippa Whitford. [*Interruption.*] She looks surprised. It will not breach a precedent if the hon. Lady does not wish to contribute. She is not obliged to do so, but I assumed that she would wish to contribute, and she is welcome to do so. Let us hear the hon. Lady.

Dr Philippa Whitford (Central Ayrshire) (SNP): We have heard about the possibility of a no deal Brexit. What about the threat that that would pose, through leaving the single aviation market, to this country's entire aviation industry?

The Prime Minister: We are aware of the necessity of looking very closely at and negotiating deals in relation to aviation, because we want people still to be able to fly, as they can today. But, once again, the hon. Lady is focusing on a no deal scenario, when the efforts of Government are being put into getting a good deal.

Mr Speaker: Absolutely splendid. A true parliamentarian is never lost for words.

James Duddridge (Rochford and Southend East) (Con): Although we all hope that our European partners will start to negotiate on trade, is there not a silver lining if they are unreasonable? If that happens, we will have to

[James Duddridge]

move towards WTO rules, and suddenly the French and Germans will realise what a disaster that would be—for their economies, not ours. They will negotiate a good deal, and we will not write out the blank cheque that Labour Members want to give them.

The Prime Minister: My hon. Friend is right. I think it is in the interests of both sides—businesses here in the UK, and businesses in the EU27 countries—that we get that deal on trade. That is why we are working so hard for it.

Chris Bryant (Rhondda) (Lab): When are we going to have the Committee stage of the European Union (Withdrawal) Bill? I ask only because if there is any hiatus or gap in the legislative programme, there is another Bill that has unanimously been given its Second Reading—an occasion on which the Conservatives did not vote, but that was because they were in support of the Bill—and that is the Assaults on Emergency Workers (Offences) Bill. Can we not just bring it into Committee and get it all the way through the process by Christmas, so that we can stand by our emergency workers?

The Prime Minister: I note the hon. Gentleman's bid in relation to this matter. He tempts me to make a business statement, which I will not do because that is, of course, a matter for my right hon. Friend the Leader of the House. I am pleased that the Government are able to support the Bill that the hon. Gentleman has brought forward. I think that it is important, and we look forward to seeing it on the statute book.

Sir Desmond Swayne (New Forest West) (Con): Will my right hon. Friend show caution in respect of the suggestion that she reach out to, and enlist the support of, Opposition Members, particularly those who have shown their desire to thwart Brexit at every turn by voting against the principle of the withdrawal Bill?

The Prime Minister: My right hon. Friend, with his many years of wisdom, is right to urge caution on me in that regard. He is absolutely right that the Labour party has tried to thwart the very measure that would enable us to put in place the decision taken by the British people.

Chuka Umunna (Streatham) (Lab): As we have heard this afternoon, many Conservative Members claim that leaving with no deal and trading on WTO terms will be relatively straightforward. But if we are in a no deal scenario, we will still need the EU, in its capacity as a member of the WTO, to agree to the new terms of our independent membership of the WTO. Can the Prime Minister guarantee that if there is no deal with the EU, she will at least get its agreement to the new terms of our independent membership of the WTO?

The Prime Minister: The whole question of our membership of the WTO, and the independent role that we will take once we are outside the European Union, is one on which the Department for International Trade is already working. It is looking ahead, with partners such as the European Union, to the position that we are going to take.

Philip Davies (Shipley) (Con): The reason why this country has been so successful in the past and will be in the future is our belief in the rule of law. May I therefore urge the Prime Minister to pay the European Union what is legally due to it when we leave the EU—not a penny less, but not a penny more either? If the Government have spare tens of billions of pounds in their coffers, and I am not sure that they do, that money should be used to pay for things such as social care and pay rises for public sector workers, not to go into the bottomless pit of the EU and into Jean-Claude Juncker's wine cellar, which I am sure is rapidly diminishing as we speak. We cannot look public sector workers in the eye if we give tens of billions of pounds to the EU that we do not legally need to give to it and hold back their pay at the same time.

The Prime Minister: I assure my hon. Friend that, as I said in the Florence speech and have reiterated today, we are clear that we will honour our commitments, but we are going through those commitments line by line. Of course, part of the discussion about those commitments is precisely the legal nature of them. We are a law-abiding nation and we want to ensure that we stand by the commitments that we have made, but we are not just going to sign up to anything, as the Labour party would do.

Catherine West (Hornsey and Wood Green) (Lab): Tomorrow, a number of EU nationals will converge on Parliament to speak to their Members of Parliament about their many feelings of distress and anxiety. What is the Prime Minister's message to those individuals?

The Prime Minister: My message to them is that we value the contribution they have made here in the United Kingdom and we want them to stay. That is what we are working for, and we have made significant progress in relation to citizens' rights. I made a number of commitments in a letter I wrote last week to EU citizens living here in the United Kingdom, and I stand by those commitments. We want them to stay.

Crispin Blunt (Reigate) (Con): Does my right hon. Friend agree that, by some happy accident, we have actually ended up in a rather more constructive space for a successful deal, because we are now going to have two months of private diplomacy on the future deep and comprehensive free trade agreement with our EU partners? Even so, it is necessary for us to prepare for no deal—these talks may fail—and even Gina Miller agrees with me that we should begin to surface the Government's own preparations for their contingency plans. Does my right hon. Friend agree that the preparations should be surfaced so that not only the Government but businesses and people can begin to make the necessary contingency plans?

The Prime Minister: We are working to get the deal that we believe will be in the interests of the UK and the European Union for the future. That is where our focus is. Of course, as I have said, we are working across Government to make contingency arrangements for every eventuality. However, as I have also said, we are in negotiations, and we are not going to give a running commentary on every detail of them. We continue to

work for what I believe is in our best interests, which is to get a good deal for us and for the European Union.

Stephen Kinnock (Aberavon) (Lab): Last week, I took part in an Exiting the European Union Committee trip to Dover, where 10,000 heavy goods vehicles are processed per day. There we were told that if an extra two minutes are added to the customs proceedings, there will be an additional 17 miles of tailback—from Dover to Ashford. We were also told that, in that context, a no deal scenario would be a total catastrophe. Will the Prime Minister please explain what measures are being put in place to avoid total gridlock in Dover in the event of a no deal scenario? [*Interruption.*]

Mr Speaker: Order. It is a long way from Northumberland. The hon. Member for Blyth Valley (Mr Campbell) is wittering away from a sedentary position in evident appreciation of the point articulated by his hon. Friend, whose constituency is far distant from his own. It is all inexplicable.

The Prime Minister: I think the hon. Gentleman was making the point from a sedentary position that this issue will actually affect others on the other side of the channel, as well as those in the United Kingdom.

The point is that we have published proposals. The future customs relationship will be part of the negotiations, as we look to the future trade relationship, but we published proposals in the summer about a number of options that could be adopted to ensure that we see trade that is as frictionless as possible across the borders, and the problem that the hon. Member for Aberavon (Stephen Kinnock) raises does not arise.

Mr Speaker: It was very good of the Prime Minister to explain what the hon. Member for Blyth Valley was blathering on about, because I could not tell. I am very grateful for that bit of information.

Mr Peter Bone (Wellingborough) (Con): This morning I met a gentleman who was singing the praises of the Prime Minister, saying that she is determined yet patient and that she gets things done. I think that the whole House would agree with that. He went on to say that he reads the newspapers and is very concerned about progress not being made and about things being terrible. Does the Prime Minister agree with what the newspapers are saying or not? One other thing, Mr Speaker: I asked the man what newspaper he read and it was the *Evening Standard*.

The Prime Minister: I say to my hon. Friend that we have a free press in this country and that is an important underpinning of our democracy. What I know is what the Government are doing to ensure that we get a good deal for the future.

Mr Speaker: Mr Campbell, I heard you from your seat; let us hear you on your feet if you are still interested.

Mr Ronnie Campbell (Blyth Valley) (Lab): And here's me thinking you weren't going to call me, Mr Speaker.

Seeing as we are not in the euro, will the Prime Minister guarantee that none of the money that the EU finally gets off us will be used to prop up the euro?

That is a good question, like Mr Speaker said. We are not in the euro, so our money should not be used for it. The only problem the Prime Minister has is that some of her Cabinet Ministers are walking up the gangway towards the gallow.

The Prime Minister: My party has a track record of ensuring that we do not have to contribute to propping up the euro. That is exactly what my right hon. Friend the previous Prime Minister negotiated with the European Union.

Mr Shailesh Vara (North West Cambridgeshire) (Con): I welcome the Prime Minister's statement and the progress she has reported to the House. I do not believe that EU citizens living in the UK should have the European Court of Justice as the final arbiter of any disputes when we leave the EU. However, to the extent that this matter remains on the agenda for Brussels, will she give an assurance to the House that Britain is demanding that British citizens living in EU countries have recourse to our Supreme Court and not the ECJ?

The Prime Minister: The point that my hon. Friend makes shows up the issue of which court should have supremacy over such issues. What I have said in relation to citizens' rights, which is one of the issues that remain on the table, is that we will give certainty to EU citizens in the United Kingdom by ensuring that what is agreed as part of the withdrawal agreement is put into UK law. They will then be able to take cases to the courts here in the United Kingdom. Of course, it is the case that courts here in the UK look at judgments that have been made by other courts, not just the ECJ, in matters where they are relevant. The important thing is that it is through our courts that EU citizens will be able to take their cases.

Mike Gapes (Ilford South) (Lab/Co-op): The Prime Minister used her new mantra of a "deep and special partnership" three times in the statement, even though the lack of progress, the business uncertainty and the splits in her Government mean that in reality, the phrase "deep and special" is the new "strong and stable"—an empty slogan from an empty-vessel caretaker Prime Minister. [*Interruption.*]

Mr Speaker: Order. Gosh, it really is a day of name-calling. I cannot imagine that that is the sort of behaviour I would ever have indulged in.

The Prime Minister: I say to the hon. Gentleman that what we saw at the European Council was the EU27 moving towards their own discussions about what that deep and special partnership will be in the future.

Alec Shelbrooke (Elmet and Rothwell) (Con): There are some misguided amnesiacs who think that nationalisation is good way forward. There are also some who think that we should stay in the single market. Will my right hon. Friend confirm that, due to state aid rules, a country cannot nationalise if it is in the single market?

The Prime Minister: My hon. Friend is absolutely right. That is yet another of the confusions in the Labour party that show that it really does not know where it is going.

Wera Hobhouse (Bath) (LD): Following on from the question by the hon. Member for Aberavon (Stephen Kinnock), the members of the Exiting the EU Committee in Dover were also told, by a representative of the Port of Calais, that a lorry park would not be built in Calais. It could not operate without it, but it would not build a lorry park because of migrant issues, and the Port of Calais, under current circumstances, would have to close. Has the Prime Minister considered that problem?

The Prime Minister: What we have done, and what we will continue to do when we move on to the negotiations on trade, is talk about the future customs relationships we want to have with the European Union. We have set out proposals for that and we look forward to discussing them with the EU.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): I was very pleased that the Prime Minister confirmed that the UK is fully playing its part on migration, and to hear that the Royal Navy had intercepted 172 smuggling boats and saved over 12,000 lives since Operation Sophia began. Will she confirm that, at the summit, the EU reported it has a looming deficit or pay gap of £225 million in the money going to migration projects in north Africa? I understand that Germany and Sweden offered more money towards those projects. Can she confirm that and say whether any other EU countries were forthcoming in offering more money to help to save lives?

The Prime Minister: My right hon. Friend is referring to the trust fund that has been established in relation to migration matters in Africa to which the UK has, alongside others, contributed. She is right that the Commission reported that deficit. From the United Kingdom's point of view, we are putting extra money into activities in Africa in relation to supporting people in countries of origin and transit. We are working alongside that trust fund. The work we are doing is amounting to £75 million.

Helen Goodman (Bishop Auckland) (Lab): I am sure the Prime Minister's confidence is well placed in that, were it necessary, the EU would agree to our being an independent member of the World Trade Organisation. In that situation, however, we would also need the agreement of every member, including Russia. What price does she think that Russia would extract?

The Prime Minister: We are a member of the WTO, but obviously we have that link in relation to the European Union. In future, we will want to be an independent member. We are working across the WTO to ensure we are able to put in place the necessary arrangements for that to happen.

Jeremy Lefroy (Stafford) (Con): I thank the Prime Minister for the huge amount of work she is putting into these negotiations. I am sure she has the support of the whole House as she does so. Does she intend to ensure, as she mentioned in her statement, that free flow of data is an absolutely integral part of any future relationship between the UK and the EU?

The Prime Minister: I am very happy to give my hon. Friend that reassurance. As I said when I was at the European Council, the free flow of data is important for us in relation to operations, in particular building a

digital single market. Another point that I and others made is that we should look at the digital market as not just being about the European Union. Actually, this is a global issue. We need to ensure that the work is done on a global basis.

Angela Smith (Penistone and Stocksbridge) (Lab): The Prime Minister talks a great deal about an implementation deal. We all know that we will be withdrawing in March 2019. There is no disagreement on the divorce deal. The free trade deal, however, may take some time to negotiate. Does the Prime Minister accept—this is what business needs to hear—that a transition deal may help to deal with the finer detail and the final conclusion of the trade negotiation, and therefore will not be so much of an implementation but a proper transition?

The Prime Minister: Both sides recognise that the timetable was set out in the Lisbon treaty, which does indeed refer to the future relationship. The withdrawal agreement can only be considered and agreed taking account of the future relationship. It is important that we negotiate that future relationship, so we have both the withdrawal agreement and the future partnership, and the implementation period then is a practical implementation period.

Angela Smith indicated dissent.

The Prime Minister: The hon. Lady looks as if she does not believe that that is possible. The point is that we start these negotiations on a completely different basis from any other third country. We start on the basis that we are already trading with the other member states of the European Union on the basis of rules and regulations, and when we leave we will have taken those EU regulations, EU law and the EU acquis, into UK law.

Mr Speaker: I think it is time to hear from the hon. Member for Huntingdon (Mr Djanogly), whose father is a sound Arsenal fan.

Mr Jonathan Djanogly (Huntingdon) (Con): Actually, he always used to take me to Nottingham Forest, but there you are.

In contrast to the disappointment coming consistently from the bureaucracy of Europe, in my right hon. Friend's discussions with the leadership—the politicians—of Europe and individual member states, is the position more nuanced? Is there hope for optimism?

The Prime Minister: Yes, there is hope for optimism. Obviously, we are negotiating a future partnership. One of the interesting issues is that the EU27 are themselves starting to think about their future and the nature of the relationship and arrangements they will have. We are working to negotiate that deal. As I indicated to the hon. Member for Penistone and Stocksbridge (Angela Smith), we will start those trade negotiations on the same basis of trading, which will make it easier for us, as it will not need to be as bureaucratic as it might in other circumstances.

Paul Flynn (Newport West) (Lab): Given that the prestigious Organisation for Economic Co-operation and Development reported last week that the British economy would be far stronger in the future without

Brexit, and given that new horrors about Brexit are revealed on an almost weekly basis, is it not right that three years after the referendum, when we are thinking of taking this step, we allow the public to have a second opinion, in the knowledge that second thoughts are always superior to first thoughts?

The Prime Minister: This is about more than the decision to leave the EU; it is about whether the public can trust their politicians to put in place the decision they took. Any suggestion that we say to the public, “Oh, you’d better have a second referendum because we think you got it wrong,” is out of the question. We will be leaving the EU.

Suella Fernandes (Fareham) (Con): I welcome my right hon. Friend’s update and the tone and manner in which she is representing the UK during these negotiations. Although no deal is obviously better than a bad deal, does she agree that given reports that the German Foreign Ministry is preparing a draft trade accord and the Swedish National Board of Trade is drawing up trade plans, there are grounds for optimism that a mutually beneficial trade agreement can be struck that honours the instruction from the British people last year?

The Prime Minister: I absolutely agree with my hon. Friend that there are grounds for optimism that we will be able to move on to those detailed trade negotiations and get that good trade deal. As her question illustrated, it is precisely because this matters to others in the EU, not just to us, that it is in both sides’ interests to have that trade deal.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): With a third of the designated negotiating time already passed, is it not clear that the EU holds the best cards? Would it not be far wiser for the British Government to perform a tactical retreat and base their position on permanent status within the customs union and the single market, instead of accelerating towards an uncertain destiny that costs jobs and further squeezes living standards?

The Prime Minister: The British people voted to leave the EU and that is what we will be doing, and that means we will no longer be full members of the customs union or the single market. We should be optimistic, however, about the opportunities that will be open to the UK, as a sovereign nation, not just from a good trade with the EU but in negotiating trade deals around the world.

Mr Nigel Evans (Ribble Valley) (Con): Does the Prime Minister believe that there are still too many refuseniks on the Opposition Benches who find it impossible to come to terms with the result of the referendum, that by their antics they undermine not just the Government’s bargaining position but their own constituents’ verdict, and that the image of some of them crossing the channel recently, paying homage to the Commission, holding a bowl of British taxpayers’ money, like some Oliver Twist in reverse, saying, “Please sir, can we give you more?”, was not just absurd but a slight to the British taxpayer?

The Prime Minister: I agree with my hon. Friend. I am afraid that all we hear from the Opposition Benches are speeches and questions and, indeed, votes that are

intended to thwart the will of the British people. What British taxpayers want is for the Government to get on with the job, which is exactly what we are doing. What they do not want is an Opposition who say to the European Union, “Just tell us the bill, and we will pay whatever it is.”

Mr Speaker: Tom Brake.

Tom Brake (Carshalton and Wallington) (LD): Thank you, Mr Speaker. I thought that that might be the timing.

When is the Prime Minister going to face down the ideologues in her party—on her Back Benches, and, indeed, in her Cabinet—who, from the safety of their stately homes and their châteaux, their trust funds and their inherited wealth, clamour for a no deal that they know would do huge damage to the “just about managing”, leave the UK weaker, and make our position in the world much smaller? When is she going to stand up for remain voters, and, indeed, for the leave voters who do not want the economic catastrophe that the Eurosceptic obsessives on her Benches wish to inflict on us?

The Prime Minister: I will tell the right hon. Gentleman who I am standing up for. I am standing up for the British people who voted that we should leave the European Union—unlike the Liberal Democrats, who want to tell the British people that they got the answer wrong. They did not. We gave them the choice, they voted, and we will deliver what they voted for.

Martin Vickers (Cleethorpes) (Con): Over the weekend, television broadcasters and newspapers have repeatedly used a photograph in which the German Chancellor and the French President are covering their mouths. Viewers of “Match of the Day” will be familiar with that pose, which is usually adopted by managers and coaches on the bench when they do not want the opposition to see their change of tactics. Does my right hon. Friend detect a change of tactics among our European colleagues, and does she think that they have ruled out victory, fear defeat, or are playing for a score draw?

The Prime Minister: I do think—this was clear from some of the comments from other European leaders which I quoted earlier—that the speech that I gave in Florence has brought about a change in momentum, and has been a spur to the negotiations and the progress that was made at the European Council. However, I could not possibly comment on what Chancellor Merkel and President Macron were saying when they were talking to me in that manner.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Today the North West British Leadership Team warned about the consequences of Brexit for jobs in the region, particularly manufacturing jobs. Is the Prime Minister withholding information about the risks posed to manufacturing by a bad Brexit, or, indeed, any Brexit?

The Prime Minister: As I have said, what I see is optimism about the trade deal that we can secure for the future with the European Union and about the trade deals that we can negotiate around the rest of the world, but also optimism about what we can do here in the

[*The Prime Minister*]

UK, through our modern industrial strategy, to ensure that this is a country that works for everyone, that we see jobs being created in the north-west and in other parts of our country, and that we see those jobs—yes, in manufacturing, but also, crucially, in sectors of the future, such as artificial intelligence and driverless cars.

Dr Sarah Wollaston (Totnes) (Con): I welcome the Prime Minister's positive approach, and the news that we are within touching distance of a deal, because that is in everyone's best interests. However, in preparing for all eventualities, would the Prime Minister be willing to reinstate the seasonal agricultural workers scheme? Businesses in my constituency are keen to plan ahead for all eventualities.

The Prime Minister: I was Home Secretary when the scheme ended, and at that stage the Migration Advisory Committee made it clear that it felt it was not necessary to reintroduce it, at least for a period of time. However, the current Home Secretary has asked the committee to look into immigration needs throughout the UK economy. I am sure that that will include consideration of the sector that my hon. Friend has spoken about, and of whether or not a seasonal agricultural workers scheme is necessary.

Kevin Brennan (Cardiff West) (Lab): I wonder whether the Prime Minister heard the Foreign Secretary's attempt to be helpful this morning, following the European Council, by quoting Shakespeare, including the lines:

"There is a tide in the affairs of men,

Which taken at the flood, leads on to fortune."

Those lines, from "Julius Caesar", were uttered by Brutus, who went on to stab his leader and came to a sticky end himself. Is that not a perfect metaphor for the Prime Minister's predicament?

The Prime Minister: I always welcome the literary and classical references that my right hon. Friend the Foreign Secretary brings to bear in his speeches and statements, and he and I are both working to ensure we get the right deal for the United Kingdom when we leave.

Oliver Dowden (Hertsmere) (Con): I, too, was listening to the Foreign Secretary's speech, and I was heartened by his remarks on Korea. I thank my right hon. Friend the Prime Minister for her update on those discussions at the European Council; does she agree that, as we leave the EU, it is more important than ever that we reassure our important friends and allies in that region, such as Japan and the Philippines, that our support for them remains undimmed, and, indeed, is stronger than ever?

The Prime Minister: I am very happy to give my hon. Friend that reassurance. Indeed, I spoke to Prime Minister Shinzo Abe this morning to congratulate him on his victory, but also to reinforce the fact that we in the United Kingdom want to build on and enhance our relationship with Japan. We will continue to work with it and other international partners to ensure we get the right result by stopping the Democratic People's Republic

of Korea's illegal activities, but we also want a stronger defence and trade relationship with Japan in the future.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On European security, in the week when Hillary Clinton reminded us of how pleased the Russians are about Brexit and instability across Europe, was there a discussion in the Council about the part Russia plays in Europe and the security of our nation going forward?

The Prime Minister: As I said in response to the right hon. Member for Exeter (Mr Bradshaw) earlier, Russia was not a subject on the agenda of this European Council, but it has been on previous Council agendas. The hon. Gentleman talks about disruption across Europe; of course, the Russians have indulged in disruptive activity—not just the illegal annexation of Crimea, but also the actions it has taken to interfere in democratic elections in a number of countries. This is a subject that I am sure the Council will return to.

Antoinette Sandbach (Eddisbury) (Con): My right hon. Friend has outlined the progress being made in the negotiations. That is particularly important in terms of exports by the services sector, which accounts for 80% of our economy. The sector has no protection under WTO rules; what assessment has been made of the impact of no deal on the services sector?

The Prime Minister: As I said earlier, we are obviously looking across all parts of our economy in the work we are doing for the future. My hon. Friend is right to raise the issue of the services sector, as it is very important for the UK, and it is one of the key issues we will be focusing on in the trade negotiations for the future. We have always been very clear that this is about both goods and services, and we want to retain both the value of our services sector and the world leadership that we have in many aspects of it.

Stephen Gethins (North East Fife) (SNP): The Brexit Secretary rightly says that it is useful to be able to know that, when Barnier speaks, he does so on behalf of a unified EU27 in terms of the negotiations. If Barnier wants to know the unified position of the UK Government, whom should he speak to?

The Prime Minister: The hon. Gentleman knows very well that that is in the Florence speech.

Stephen Hammond (Wimbledon) (Con): I thank my right hon. Friend for her statement and warmly welcome the progress she has outlined towards the deal that both we and our European partners require. I also welcome the statement about EU citizens. I note that my right hon. Friend says in her statement that "there are a small number of issues that remain outstanding". What progress might be made in front of the December Council on those matters, because resolution of that would represent a real Christmas present for many EU citizens in my constituency and elsewhere?

The Prime Minister: I think both sides see the possible options for moving to that agreement, and I hope we can make rapid progress on that over the coming weeks leading up to the December Council.

Clive Efford (Eltham) (Lab): The best contribution to the negotiations that the Government can make is the Prime Minister having a deep and special relationship with her fellow Cabinet members. If we are within touching distance of a common agreement, as she has said several times, it is surprising that there are so many different positions coming from her Cabinet colleagues so close to the recent summit. Can she get a grip of her Government, because that would be the most significant contribution to our negotiating position?

The Prime Minister: I used the phrase that we were within touching distance of a deal in relation to the citizens' rights issue, and I have just indicated in response to my hon. Friend the Member for Wimbledon (Stephen Hammond) that there are a number of issues still on the table, but I think we can see where we can go to ensure that we get that deal and that agreement. The Government are very clear on the position we have taken into the negotiations. I set it out in the Florence speech, and that is setting that vision for the future deep and special partnership. It is that vision that the European Union is now responding to.

Nigel Mills (Amber Valley) (Con): I welcome the conclusions about the need to have a fair and effective tax system in which all companies across Europe pay their share of taxes. Did the Prime Minister have the chance to urge the EU to follow the progress we have made on more transparency for international companies, and will she commit to extending that to overseas owners of UK properties?

The Prime Minister: My hon. Friend raises an interesting point. We have made clear to the European Union the work that the UK has done on this in the past. There was a particular discussion on this issue in relation to the digital market, and also a recognition in the European Union, given what we have always said and the efforts that we have made in the past, that this is an issue that has to be looked at on a global scale and not just within the European Union.

Ian Murray (Edinburgh South) (Lab): Surely the Prime Minister must recognise the concerns of business leaders about the lack of progress on at least a transitional deal, given that they are having to make decisions about investment and jobs in this country over the next 18 months to two years. What message does she think it sends to the people who create jobs and wealth in this country when her Cabinet is completely split over whether there should be a no deal cliff-edge scenario?

The Prime Minister: The Government are working to ensure that we get the best possible deal for the United Kingdom. That is where our efforts are being focused, and that is what we will continue to do. I set out the implementation period in my Florence speech, and, as I indicated earlier, this issue was alluded to by the European Council and by the Commission in the April guidelines. This is a matter on which I believe we can make progress because it is in both sides' interests.

Robert Neill (Bromley and Chislehurst) (Con): I thank the Prime Minister for her statement, for the constructive progress that has been made, and in particular for her reference in her reply to my hon. Friend the Member for

Sandbach to the importance of financial services—*[Interruption.]* I am sorry, I meant my hon. Friend the Member for Eddisbury (Antoinette Sandbach). Eddisbury is remarkably close to Sandbach. I speak of course as a lowly West Ham supporter, Mr Speaker.

Will the Prime Minister bear in mind the important contribution that our Crown territory of Gibraltar makes to financial services? It strongly complements the City of London. Its Chief Minister is in London today, as she will know, and we will be celebrating the links later. Will she ensure that Gibraltar's interests are firmly taken on board in relation to financial services, professional services and the operation of a free-flowing border as we go forward in the negotiations?

The Prime Minister: Yes, I am happy to give my hon. Friend that assurance. We have been clear that we have been keeping the Gibraltar Government in touch with the work that we have been doing, and we continue to work with them. We will continue to assure them that we will take their interests into account at every stage.

Mr Speaker: I call Mr Alan Brown.

Alan Brown (Kilmarnock and Loudoun) (SNP): Thank you, Mr Speaker—*[Laughter.]*

Mr Speaker: Was it something I said? Let us hear the hon. Gentleman.

Alan Brown: Thank you, Mr Speaker. A week after the universal credit debacle, the Prime Minister has the cheek to come to the Chamber and tell us that she is determined to put people first. The reality is that we are 16 months down the line and there is as yet no agreement on settled status for EU nationals. Given that that is a No. 1 priority, this does not bode well for the rest of the negotiations that we are trusting her with. However, if we are within touching distance of an agreement on settled status, what plans does she have for being able to process up to 3 million applications?

The Prime Minister: That is a matter for the Home Office, which is putting the necessary arrangements in place. We have set out very clearly what we believe the arrangements in relation to settled status for EU citizens here in the United Kingdom must be, but in putting people first, we must not just put EU citizens in the UK first; we must also put UK citizens in the rest of the European Union first. That is why it is necessary for us to ensure that their rights are also being guaranteed.

Mark Pawsey (Rugby) (Con): The Prime Minister will have seen the recent EEF survey of companies' future investment plans. Does she agree that it underlines how important it is for business that we get on to discussing trade arrangements at the earliest opportunity?

The Prime Minister: I absolutely agree with my hon. Friend. That was why I set out in my Florence speech what our future trade relationship could be like. That has elicited a response from the EU27, and they are now preparing for negotiations on that relationship.

Dr Rupa Huq (Ealing Central and Acton) (Lab): May I just say what fine fettle the Prime Minister appears to be in, given the German media reports at the weekend

[*Dr Rupa Huq*]

suggesting that she was the opposite? Something must have been lost in translation. Anyway, does she share the concern of my constituents who work in the City of London at the declaration of the CEO of Goldman Sachs that he will be spending a lot more time in Frankfurt after all this? Similar musings have come out of J. P. Morgan and Morgan Stanley. What is the Prime Minister doing to stem the brain drain and corporate exodus that faces our great capital?

The Prime Minister: Of course we want to ensure that the City of London retains its place as the world's leading financial centre. That has been reconfirmed recently. I say to those who think that the City of London will be damaged by our leaving the European Union that the very reasons why the City is so important in an international financial sense are the very reasons why it is important for the City to retain that financial services provision for the rest of the EU as well.

Rehman Chishti (Gillingham and Rainham) (Con): Page 7 of the Europe Council conclusions refers to “combating terrorism and online crime” and

“readiness to support appropriate measures at EU level”.

Germany is introducing legislation to have extremist material taken down within 24 hours. Is that something that the United Kingdom will be doing and urging other European countries to do? We are all in it together to defeat these poisonous ideologies.

The Prime Minister: The taking down of material is very important, as my hon. Friend says, and through the Counter Terrorism Internet Referral Unit we have been taking down significant amounts of material. My right hon. Friend the Home Secretary is working with the tech industry and with internet service providers, and they have established a global forum. We want to ensure that this material is taken down not within 24 hours, but within one or two hours. That is what we are working towards with the industry.

Kerry McCarthy (Bristol East) (Lab): Did the Prime Minister have a chance over dinner with Michel Barnier to discuss the fact that he is soon to meet leaders of the UK's core cities to discuss the Brexit negotiations? Does she welcome the fact that he is willing to meet the representatives of 19 million people? Is it not rather rude of the Brexit Secretary not to be prepared to do so himself?

The Prime Minister: I have to say to the hon. Lady that I am aware that Michel Barnier is meeting a number of people here in the United Kingdom and elsewhere around Europe to discuss the issues, but the Brexit Secretary has indeed put in place arrangements for meeting the metro mayors to ensure that the interests of the people they represent are taken into account.

Mr Simon Clarke (Middlesbrough South and East Cleveland) (Con): Businesses on Teesside will give a warm welcome to the Prime Minister's announcement that we are closer than ever to a deal, which is obviously great news as it is important that we get a deal as quickly as possible. However, does the Prime Minister

agree with me and with so many of my constituents that Labour's position that no deal is not an option represents not so much negotiation as capitulation?

The Prime Minister: I absolutely agree with my hon. Friend. It is important that it is clear when we go into the negotiations that we want to get a good deal that is the best deal for both sides. However, if it is necessary—as I have said before—no deal is better than a bad deal.

Peter Grant (Glenrothes) (SNP): The EU citizens I have spoken to since they received the Prime Minister's email a week or two ago have taken no reassurance whatsoever from it. Does the Prime Minister accept that when she appears to make concessions to EU nationals, what matters is not how loudly her Back Benchers cheer, but how reassured those 3 million people actually feel? At the moment, they are not reassured at all by her email.

The Prime Minister: I recognise that we want to ensure that we get to an arrangement with the EU through which we are able to guarantee the rights of the EU citizens living here in the UK. I want them to stay. I value the contribution that they have made. I recognise that they will want reassurance, which is precisely why I indicated the various issues that I did in the email and the article that I wrote about their future here in the UK. However, we also want to ensure that the rights of UK citizens living in the EU are guaranteed as well. I am sure that the hon. Gentleman, as a Member of Parliament in the United Kingdom, would want to give reassurance to UK citizens living elsewhere in Europe.

Richard Graham (Gloucester) (Con): I congratulate the Prime Minister on taking the talks on citizens' rights so close to within touching distance of a deal.

The logic of an implementation period partly implies time to prepare for our future trading relationships with Europe and elsewhere. Will my right hon. Friend confirm that, during the implementation period, we will be able to negotiate both the cloning of existing EU free trade agreements and any new arrangements with other countries so that as many as possible become effective on day one after the end of the implementation period?

The Prime Minister: I thank my hon. Friend for raising an important point. It is indeed our intention to be able to ensure that during the implementation period we are able to conduct negotiations so that, when we reach the end state of our future partnership, we can open those trade arrangements with other nations around the world.

Mrs Madeleine Moon (Bridgend) (Lab): There are two sets of documents that it would be helpful if the Prime Minister released to the House while we consider the European Union (Withdrawal) Bill. Is she willing to release the impact studies showing how Brexit will impact across Departments and across the UK, and also the legal advice on the powers that the House will assume for the devolved Administrations, many of which feel the House has no responsibility for subjects that are within their purview? Will she release those documents, please?

The Prime Minister: The hon. Lady talks about devolution and the arrangements with the devolved Administrations. We have been very clear about the

issue, and we want to ensure that, when the powers that are currently with Brussels are brought back to the UK, we have a discussion and negotiation about those areas where we need to ensure we have UK frameworks in place. Her party's Front Benchers suggest that, in fact, the powers should be devolved immediately to Northern Ireland—when there is an Executive—Scotland and Wales. Of course, that could lead to the break-up of the UK internal market, which is of most importance to those devolved Administrations.

Rachel Maclean (Redditch) (Con): I know at first hand that the EU citizens in my constituency of Redditch welcome the Prime Minister's commitments and remarks. I am delighted that she has made a practical statement on the cost of settled status being no greater than the cost of a British passport, which is welcome. Will she also consider the documents needed for a person to apply for settled status? The process could be difficult for someone who has migrated to this country, and addressing that will give them reassurance.

The Prime Minister: My hon. Friend raises an important practical point, and I know that a number of EU citizens are concerned about the process of applying for settled status, and about how bureaucratic it will be. That is why the Home Office is working to make the process as light touch and streamlined as possible, so that people can be reassured that this will not be a difficult process.

Mr Paul J. Sweeney (Glasgow North East) (Lab/Co-op): The Prime Minister has stated her intention to create a new partnership with the European Union after Brexit that is built on shared fundamental values such as democracy, the rule of law, free trade, rigorous and fair competition, strong consumer rights and high regulatory standards, but does she agree that the hard-won and hard-fought-for workers' rights that we have built within the European Union are also critical to those shared fundamental values and that we should uphold those rights after Brexit?

The Prime Minister: I have been clear that this Government want not only to maintain workers' rights but to enhance workers' rights. I am very surprised that the hon. Gentleman should ask that question, given that the Labour party voted against the very European Union (Withdrawal) Bill that will bring workers' rights under EU law into UK law.

Robert Jenrick (Newark) (Con): One of the first things I learned about contract law at law school is that an agreement cannot be agreed that creates an obligation to enter a future agreement when its terms are not known at the time the first agreement is signed. Does my right hon. Friend the Prime Minister agree that it is legally ridiculous and a terrible negotiating position to try to amend the European Union (Withdrawal) Bill to make no deal a legal impossibility and to force us to have an implementation agreement on a deal whose contents we do not know?

The Prime Minister: I bow to my hon. Friend's legal knowledge on this issue, but I think he is absolutely right. As my right hon. Friend the Member for Chingford and Woodford Green (Mr Duncan Smith) indicated,

the issue of an implementation period is about practical arrangements to reach the future partnership, and you do not know what those practical arrangements are until you know what that future partnership is.

Matt Western (Warwick and Leamington) (Lab): Last week, two significant announcements were made. First, we heard from Peugeot Citroën that it preferred to reduce the number of jobs here in the UK and maintain its investment and job levels in mainland Europe. We also heard from Lloyd Blankfein, who announced that he, like many other business leaders, would be spending more time in Europe. Do those two announcements concern the Prime Minister?

The Prime Minister: We are of course working with business to ensure that we can get the right arrangement for our future trade relationship and for the implementation period, to give business the certainty it has asked for. But I am optimistic, not just about that trade relationship, but about the other trade agreements we can negotiate around the world. I am also optimistic about the opportunities for the economy and for firms here in the United Kingdom, not least because of the modern industrial strategy that this Government are putting in place.

Matt Warman (Boston and Skegness) (Con): There is a lot of talk of deals and no deals. Is it not a crucial distinction that the Prime Minister has shown total commitment to a deal on Northern Ireland, on citizens' rights, on security and on a host of other issues, but where she is rightly sceptical is on whether a punishment deal is better than no deal on trade?

The Prime Minister: My hon. Friend is absolutely right, and this is where the Labour party gets it absolutely wrong; it thinks it should be signing up to any deal, across the whole board, regardless of the price and regardless of the conditions applied by the European Union.

Patrick Grady (Glasgow North) (SNP): Was the Prime Minister able to share any of the perspectives of the devolved Administrations with the other Governments at the summit, particularly the concerns around the European Union (Withdrawal) Bill? Given that the Secretary of State for Scotland has promised a powers "bonanza" for Holyrood, I wonder whether she could name today just one power that will definitely be devolved to Holyrood after Brexit.

The Prime Minister: Don't worry, we will be making it clear where we expect further devolution to take place. The hon. Gentleman asks whether I discussed the European Union (Withdrawal) Bill with the European Council, and I have to say that that Bill is a matter for this Parliament and it is this Parliament that will decide on it.

Charlie Elphicke (Dover) (Con): I congratulate my right hon. Friend on her excellent statement. Does she agree that money invested in contingency planning and being ready on day one is money well invested, as an insurance policy, in giving us a stronger hand in the negotiations and as no-regrets investment in our world-class

[Charlie Elphicke]

customs systems, our world-class border system and resilient roads that do not need to have the kind of gridlock that the Labour party hopes for?

The Prime Minister: I absolutely agree with my hon. Friend, and in fact some of the work being done on contingency arrangements will apply regardless of the nature of the outcome, whether there is a deal or not a deal.

Andrew Bridgen (North West Leicestershire) (Con): I was disappointed with the European Council, as on this occasion it did not find the time to discuss the ongoing appalling situation in Venezuela. Does my right hon. Friend believe that this was to spare the blushes of the Leader of the Opposition, who, apparently, was in town working with the EU to undermine the UK's negotiating position?

The Prime Minister: That may well indeed have been the case. I know the Leader of the Opposition was in town at the time, and of course what he was doing was basically saying to the European Union that he would be willing to take any deal, at any price. That is not the position of this Government.

Stewart Malcolm McDonald (Glasgow South) (SNP): I am starting to think it is the Christmas cards I am sending, Mr Speaker. You know how to give me a complex. Having relegated EU nationals to spectator status in this entire debate—

The Prime Minister *indicated dissent.*

Stewart Malcolm McDonald: The Prime Minister shakes her head but she voted to exclude them from the referendum. Does she not think it is at best a tad gauche, if not outright rude, to charge them 70-odd quid in order to settle a status that they had no hand in establishing in the first place?

The Prime Minister: As part of the negotiations, we will be ensuring that we get those guarantees for EU citizens here in the UK and putting into place here in the UK the arrangements necessary to ensure that they

are able to get that settled status, because we value the contribution they have made here in the UK.

Steve Double (St Austell and Newquay) (Con): Does the Prime Minister share my view that one factor that may well have contributed to the progress recently made was the fact that the EU has come to understand that the UK is not afraid of a no-deal outcome? Does this show why, in order to continue progress and focus minds, no deal has to stay on the table?

The Prime Minister: My hon. Friend is right. We are of course working to get a deal and to get the best deal for the United Kingdom, but we have to be very clear that we are prepared to say that no deal is an option if we are not able to get that good deal for the UK.

Nigel Huddleston (Mid Worcestershire) (Con): Thank you for calling me Mr Speaker—you have saved me a trip to the gym today.

Does the Prime Minister agree that in order to better represent the interests of EU citizens, the EU negotiators could benefit from a remedial course in economics so that they understand the difference between a £70 billion surplus and a £70 billion deficit? They seem to be getting it the wrong way around at the moment.

The Prime Minister: My hon. Friend makes an important point that just emphasises how the deal we are working towards is going to be to the benefit of the EU as well as the UK.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I warmly welcome the Prime Minister's statement. In contrast to Scottish National party Members, I also warmly welcome her comments on and commitment to EU citizens, her commitment to putting people first and her open letter last week. I urge her to continue that work, because this issue is important not only to EU citizens but to UK citizens who live and work in the EU.

The Prime Minister: My hon. Friend is absolutely right. I was clear from the start that we needed to make that one of the early agreements we came to. It was part of the first stage of the negotiations and, as I say, we are within touching distance of a deal. It is important not just to EU citizens here but to UK citizens who have made their home elsewhere in the European Union.

Points of Order

5.26 pm

Amanda Milling (Cannock Chase) (Con): On a point of order, Mr Speaker. Over the weekend, various posts on social media and comments in the press suggested that we might be able to have an important debate about misogyny and the use of degrading language towards women—

Mr Speaker: Order. I do not think this is going to be a point of order for the Chair. I did indicate to another Member who made a wholly absurd and inappropriate application for a debate under Standing Order No. 24 that she should not raise this as a point of order. I will hear the hon. Lady out, but I am very uncertain—to put it mildly—that this is a responsibility for the Chair. It might be very important, but that is very different from it being a matter for the Chair. All I would say to the hon. Lady is that I will hear her out, as I always do, but please do not abuse the point of order procedure. That is not something to be done in this Chamber. *[Interruption.]* Order. I do not take such a matter lightly, but if the hon. Lady is in order, I will hear her.

Amanda Milling: I am grateful for your guidance, Mr Speaker, and in that case I would like to seek your advice on how we can bring such a debate to the House.

Mr Speaker: If the hon. Lady wants to apply for an Adjournment debate on a matter that falls within the aegis of a Minister, it is open to her to do so. Members can table motions in this place, as the hon. Lady—now a relatively experienced Member of the House—will be well aware, but that is different from a point of order, which this matter is not, or indeed the other form of exchange, which it most assuredly was not. I hope that that is a helpful clarification for the hon. Lady, who will use her adroit parliamentary skills to highlight such matter as she wishes in an orderly way.

Dr Julian Lewis (New Forest East) (Con): On a point of order, Mr Speaker. In your reply to the point of order made by my hon. Friend the Member for Totnes (Dr Wollaston), you mentioned certain Committees that have not yet been constituted, including the Liaison Committee and the Intelligence and Security Committee, but you did not mention another one that has not yet been constituted, which is the Joint Committee on the National Security Strategy. Since hearing your strong response to that earlier point of order, I have received a letter from the National Security Adviser, Mark Sedwill, in which he declines to appear before the Defence Committee to discuss the review of national security capabilities because as he points out, not unreasonably:

“As you note in your letter, the established procedure is that I appear before the Joint Committee on the National Security Strategy on these issues. Although it has not yet been constituted in the new Parliament...you are an ex-officio member.”

What can I do to turn to practical advantage my being an ex-officio member of a Committee that has not yet been constituted this far into the new Parliament?

Mr Speaker: The short answer to the right hon. Gentleman is that the best thing he can do is to seek, in a matter of days, to persuade his colleagues who are in a position to do so to facilitate the establishment of those Committees without further delay. Traditionally, I do not think that it will be objected to—certainly not by any serious Whip—if I say that the Whips have not regarded it as their prime concern to establish Select Committees to scrutinise the Executive, of which they are the defenders. That is to put it mildly. However, they do have a responsibility in this matter. The Leader of the House, as the House’s representative in the Government, has a particular responsibility, supported by the shadow Leader of the House and the Opposition Chief Whip, to bring about the constitution of those Committees.

For those who were not here earlier, the matter was raised in respect of the Liaison Committee, and I pointed out that the same concern applied to the European Scrutiny Committee and to the Intelligence and Security Committee, which is not a Select Committee, but an important Committee none the less. The right hon. Gentleman has now identified how it applies with such force to the Joint Committee on the National Security Strategy. He has also explained how the failure to constitute the Committee has effectively created a void for an important potential witness. This is now an embarrassment and it needs to be sorted, preferably this week.

Bill Wiggin (North Herefordshire) (Con): Further to that point of order, Mr Speaker. Knowing as you do that Whips are not able to speak, I thought that it might be helpful to say that I suspect that there will be some very good news on this subject in the foreseeable future. However, I believe that the usual channels are stuck and that there are certain names that the Opposition parties need to return to the Government.

Mr Speaker: I do not know about that. The hon. Gentleman says in the course of his contribution that Whips cannot speak. Well, they are not supposed to speak, but it does not stop them, now and again, doing so, sometimes from a sedentary position in a more or less orderly fashion. As to the subject of disputed names, that is not something with which he would expect the Speaker to preoccupy himself. My concern is simply to facilitate the constitution of the Committees, which are those of Parliament, and which, I suspect, most Members on both sides of the House want to see established. In short, let us get on with it.

Universal Credit Roll-out

Application for emergency debate (Standing Order No. 24)

5.32 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I rise to propose that the House should debate the specific and important matter of universal credit roll-out.

May I thank you, Mr Speaker, for allowing this important application, which arises, as you know, after a decisive vote on a motion to pause universal credit roll-out. It was supported by this House last week by 299 votes to zero.

That was the second such Government defeat on an Opposition day motion in 40 years. Since that debate last week we have heard nothing from the Government, despite the fact that, after the last time this happened, the Government made a statement within three and a half hours.

Worse still, in business questions on the day after the Government's resounding defeat, the Leader of the House used a change to Government policy on the phone lines for universal credit, which was made before the vote last week, as a justification for refusing to inform the House on when we might expect a further statement on this matter.

I thank my right hon. and hon. Friends who have pressed the Government for a statement as well as the hon. Members for Gainsborough (Sir Edward Leigh) and for Wellingborough (Mr Bone) for their remarks on the constitutional issues to which the lack of a statement exposes the Government.

One of the few formal rights of Opposition parties is to decide the topic and motion for debate on 20 sitting days. All previous Governments have recognised that the failure to carry the House against an Opposition motion is a serious rebuke to the Government's policy on an issue and has treated that accordingly. That is even more important when the House has spoken on an issue that could dramatically affect the lives of up to 7 million people, who will soon be subject to the flawed universal credit programme. I thank you once again, Mr Speaker, for considering this application.

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

Application agreed to (not fewer than 40 Members standing in support).

Mr Speaker: The hon. Lady has obtained the leave of the House. The debate will be held tomorrow, Tuesday 24 October, as the first item of public business. The debate will last for three hours and will arise on a motion that the House has considered the specified matter set out in the hon. Lady's application.

Automated and Electric Vehicles Bill

Second Reading

5.36 pm

The Minister for Transport Legislation and Maritime (Mr John Hayes): I beg to move, That the Bill be now read a Second time.

As you might imagine, Mr Speaker, I had for a moment thought that these crowds were for me. Now that I know that is not the case, I will be measured in what I say and hope that the crowd will re-emerge as a result of the strength of the argument that I will make on behalf of this Government and this important Bill.

In living memory, working-class lives have changed dramatically. The health and wellbeing now enjoyed routinely by working people is of a kind beyond the expectations—indeed, perhaps beyond the dreams—of my grandparents, who lived, alongside most of the people around them, with the daily grind of need. The chance to travel easily has been an important part of the altered lives of millions. My father bought his first car when I was a baby and he was 42 years of age. It transformed my family's experiences. Suddenly new places could be explored, new opportunities realised and new adventures imagined. Until then, a bicycle was his way of getting to and from work, train travel a rarity and aircraft—except in wartime—entirely unknown. My family, like so many others, owed so much to motor cars. They brought challenge, chances and change to millions. Yet cars themselves have changed little.

Cars—the foundation of our transport system for the last hundred years—still have a lot in common with the first Model T that rolled off the production line in 1908: the same mass production methods; the same front-mounted internal combustion engine; and the same adaptable chassis to support a wide range of body styles. Now we are going to see significant changes. Over the next decades, cars will change more than they have for lifetimes. In those changes, it is vital that we consider the scale of the opportunities that now present themselves, how those opportunities may be shaped and, indeed, how they will need to be constrained.

There will be change to the way in which we power and fuel our cars, and even to the way in which we pay for motoring. This is happening not just in the United Kingdom, but around the world. But, just as Henry Ford proved a century ago, there are huge chances for innovators who are able to realise the revolutionary potential of new automotive technologies. Exports of low emission vehicles are already worth £2.5 billion to our economy, and it is estimated that the market for autonomous vehicles could be worth £28 billion by 2035. Ford himself said:

“Before everything else, getting ready is the secret of success.”

That is what this Bill is about. As I shall explain in this sermocination, the chances are profound. The Bill is salient.

These matters are not, by the way, partisan—they are not party political; they are things that, frankly, any responsible Government would look at and take action upon. Indeed, I expect the whole House to take a considered and measured interest in these affairs.

I am going to speak a little about the Whig view of history, Madam Deputy Speaker, as you might have expected. The Whig view of history, with its addiction

to progress, is a deceit. The Marxist notion of a predetermined course of history is a fallacy. Not all change is beneficial; indeed, it can be the opposite. But change can be virtuous when it is shaped, harmonised and, yes, as I said, sometimes constrained. Enterprise and the market provide immense opportunity through the innovative, imaginative creativity they breed. But Government must be a force for good. Government must be prepared to step forward to make sure the market acts for the common good.

Sir Greg Knight (East Yorkshire) (Con): I refer to my declaration in the Register of Members' Financial Interests. Some academics are saying that when automated vehicles become commonplace, the Government will seek to ban people from driving cars themselves or will, at the very least, introduce a policy that severely restricts motorists. Will my right hon. Friend confirm that that is not Government policy today and that he has no intention of making it Government policy in the future?

Mr Hayes: It is certainly not Government policy. It would be intolerable to imagine a future where people were banned from using, for example, classic cars. I know that my right hon. Friend is very experienced and, indeed, knowledgeable—one might even go as far as to say expert—in such matters, and he will know that the vintage and classic cars owned by many people, including him in considerable number—

Sir Greg Knight: And the Minister.

Mr Hayes: Well, I was not going to add that, but, yes—in rather less number. Those cars add a vivid aspect to motoring—an elegance and style we would not wish to see lost in any move towards this change in technology. But, for most people, their daily experience will not be to drive an Allard, a Jensen or any other of the cars my right hon. Friend and I revere; it will be to drive a car to get to the places in which they work, to access educational opportunities and to get to the places where they buy the goods they need to service their wellbeing; it will be to use a car for recreational purposes, in the way my father did for his family all that time in the past, as I described a moment ago.

The change that we are now experiencing, and that we will experience to a greater degree in the coming years, is not a threat and not something to doubt or fear, but an opportunity. It is an opportunity for Britain from the perspective of the technology we will develop and export. It is an opportunity to give access to cars to those who have never had them—the profoundly disabled, the elderly, the infirm, and the partially sighted and the blind. They have not been able to drive, and they have relied on others to drive them, but they will suddenly have the opportunity of car ownership, which has been denied them for so long by the nature of their disability or their need. That is the sort of future I envisage.

Daniel Zeichner (Cambridge) (Lab): The Minister is making a characteristically wide-ranging speech, and he touches on important points, but the Bill is remarkably thin. It does not deal with many of these points. There are so many other issues—the social issues and the skills issues. When will the Government bring forward a Bill that actually deals with the issues the Minister is referring to?

Mr Hayes: The hon. Gentleman knows that I am, one might say, preoccupied by the subject of skills because I understand the relationship between skills and social justice. One might even say that I have been characterised by my determination to ensure that people get chances to acquire the skills necessary not only for our economy but for them to fulfil their potential. There will, of course, be all kinds of new skills associated with this technology, but I am not sure it is the time at the moment to dictate what they might look like. The job that the Government are doing is to legislate sufficiently so that change, innovation, and research and development are not inhibited, but not to the point where we dictate, or try to dictate, what the future might look like in this regard.

Sir Oliver Heald (North East Hertfordshire) (Con): Does my right hon. Friend agree that it is important that the message should not be that an electric car or an automated vehicle is an unpleasant driving experience, and that the only kind of car that is worth driving is a classic car? The modern car is a joy to drive. I hope that will remain the case and that he is not going to stop us doing it.

Mr Hayes: Yes, that is true. Electric cars can be a different but altogether just as enjoyable an experience. I have had the opportunity of test driving an electric car. As a Minister, I have travelled very frequently in an electric car driven not by me but by the driver from the Government car service. Only in the past few days, I have had the chance to drive in one of the new electric taxis. To experience that is to see a different kind of future and to enjoy a different kind of driving experience. I do not think it is worse. It is certainly different, but better in all kinds of ways, as I shall explain.

Clive Efford (Eltham) (Lab): Is the Minister going to set out the scope of the intelligence and decision making of the vehicles that he is describing? For instance, some automated vehicles are capable, in the event of an accident, of assessing the situation and deciding which course of events is likely to cause the least amount of injury. To what degree does the Bill cover the decision-making process of those vehicles?

Mr Hayes: The hon. Gentleman, with his usual assiduity, introduces into our debate the really important aspect of how autonomous vehicles develop over time. This morning, I was fortunate enough to be looking at autonomous vehicles and having a discussion with some of those engaged in the research and development that I described a moment ago. We considered the programming of an autonomous vehicle, for this is, in essence, a combination of developing the sophisticated software that helps to drive the car and the technological development associated with the running of the vehicle. In testing that software, a judgment needs to be made: how much do we want the autonomous vehicle to emulate what a human being would do if they were at the wheel, and how far do we want it to improve on what a human being would do? As the hon. Gentleman implies, many car accidents—in fact, the insurers tell us that it is 95% of car accidents—are in some way due to human error. If we could, let us imagine for a moment, eliminate that error, or at least reduce it very considerably, we would, as he suggests, completely change the profile of driving, reducing the number of accidents and making our roads safer. That is a big opportunity, and not one to be sniffed at.

Mr Tanmanjeet Singh Dhesi (Slough) (Lab): With regard to the huge advances in automated and electric vehicles, does the Minister agree that the technology industry has made an immense contribution, especially within my own constituency, where it is particularly preponderant, and that we need to provide further support for the technology industry to continue with these advances?

Mr Hayes: Yes, and we are doing that. We are providing support and we will continue to do so. I will elaborate on that in the course of my remarks. The hon. Gentleman is right that this has to be a collaboration. It is a collaboration between industry, academia and government, including local authorities. As I said, this morning I was with the London Borough of Greenwich, speaking about its role in these developments. It really is important that we see this work as salient, as I described it, but also capable of making a huge beneficial difference in the national interest and for the common good.

Mims Davies (Eastleigh) (Con) *rose*—

Mr Hayes: My hon. Friend is a champion of all that serves the common good, and I happily give way to her on that basis.

Mims Davies: My right hon. Friend eloquently makes the point that we have the chance to be a world leader in transport technology. Can we use the Bill to reflect the possible effects of new technology and innovation on engine noise? We are often distracted by our smartphones, and we expect engines to make a noise and give us a clue that vehicles are there. For the sake of safety, can we make sure that we get this innovation right?

Mr Hayes: Part of the research effort concerns societal change and persuading people that the technology is right, good and efficacious. To do that, we have to be completely certain about safety. My hon. Friend is absolutely right that until people can be certain that the technology is safe and secure, they are less likely to embrace it as we hope they will.

Richard Burden (Birmingham, Northfield) (Lab): May I preface this intervention by declaring an interest as a fellow of the Institute of the Motor Industry? The Minister knows that when the previous incarnation of this Bill was before the House, the Opposition tabled an amendment, on the question of skills, to require the introduction of a certification and licensing scheme for technicians working on these advanced vehicles. That was particularly important given that a survey of independent garages showed that about 80% of them do not have the skilled technicians that they need to work on these vehicles. At that time, the Minister said:

“My hope is that we can make progress on this matter during the course of the Bill’s passage to respond to some of the points raised today.”—[*Official Report, Vehicle Technology and Aviation Public Bill Committee*, 23 March 2017; c. 10.]

That Bill fell with the general election. Has the Minister made any progress on the matter, and can we expect the introduction of something to deal with it during proceedings on this Bill?

Mr Hayes: I am not unsympathetic to that argument. The hon. Gentleman is right that the development of the necessary skills to service this new technology will be critical to its acceptance, rather as the absolute

assurance of safety will. I expect the new skill set to develop, and I think that the industry will want that to happen.

I spoke briefly about the balance between what the market will provide and what Government need to do to frame and shape market provision, and this is a good example. We hope to see the development of apprenticeship programmes that are sufficient to cope with the demands that the hon. Gentleman set out, and we want the Government to work with the further and higher education sectors accordingly. We want to ensure that the work being done on emerging technology by most of the big motor manufacturers—as he knows, there is hardly a motor manufacturer that is not investing in research and development in this field—is tied to a proper consideration of the development of enough people with the skills to support it.

I think the hon. Gentleman is right, and I look forward to further debate about the matter. I am not unpersuaded of the idea that Government should play their part. The Bill as it was presented to the House does not contain measures to that effect, but our scrutiny may well give us the opportunity to consider further the points that the hon. Gentleman has made. I cannot believe that the Opposition have not read their *Hansard*, and that they will not return to the argument that they made in relation to the previous Bill—not that I am, for a moment, accusing them of being repetitious.

Alan Brown (Kilmarnock and Loudoun) (SNP): The Minister has used the words “common good”, “national interest” and “safety”. Another thing in the Vehicle Technology and Aviation Bill was laser pen offences. The Minister heard from pilots about how dangerous such incidents are, so can he explain why those measures have been dropped from the Bill and tell us when he will introduce legislation on the matter?

Mr Hayes: Looking around the Chamber, I see, in all parts of it, Members with a laser-like approach to addressing legislation. It will not, therefore, have escaped anybody’s notice that this Bill is a rather cut-down version of the one that we considered earlier in the year, which enjoyed a Second Reading and a Bill Committee. We chose to focus on the core elements of that Bill, namely the provisions that deal with autonomous vehicles and electric vehicles.

The hon. Gentleman is right to say that there is a proper concern about the use of lasers. That is something that we have discussed previously. Indeed, I have discussed it with shadow Ministers, and I am determined to do more. We are, by the way, also determined to do more in respect of drones, which may fly above our heads during our consideration in this Chamber, at least in a metaphorical sense—or rather, I hope, only in a metaphorical sense. We are determined to deal with those issues, and we will talk about them in more detail over the coming weeks and months.

Several hon. Members *rose*—

Mr Hayes: I see that I have many colleagues who want to contribute. I give way to my hon. Friend the Member for Wimbledon (Stephen Hammond).

Stephen Hammond (Wimbledon) (Con): I thank my right hon. Friend for giving way. One area in which drones and automatic vehicles will make a huge difference

is the logistics industry. All too often, Government frameworks lag technology, but my right hon. Friend's reputation for forethought will be enhanced by the Bill, which establishes a framework that will give the industry some certainty regarding innovation. We cannot and should not make predictions about the industry, but we should give it certainty regarding the innovation that it wants.

Mr Hayes: I agree with every word of that, except that my hon. Friend should have said further enhanced, rather than enhanced.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): My right hon. Friend is right to put safety at the heart of his speech. Even with autonomous vehicles there will, unfortunately, still be the occasional accident, but one advantage is that if the circumstances of such accidents are known, they will be shared across the entire network. We will not all have to learn individually from our mistakes; we will be able to learn collectively, and that will be of benefit. However, when a decision is made by an autonomous vehicle, there must be a way to challenge it. As part of the Bill, it might be very useful to put some transparency into the algorithm process.

Mr Hayes: The aim of the Bill is to create the greater certainty that is, as several Members have said, necessary for further developments. As I will explain in a moment, when I get to the main thrust of my contribution, we focused mainly on insurance. That is because we were told by the insurance industry that it was essential to establish absolute clarity about the framework for the development of a series of insurance products. The Bill sets out that framework. Those who recall the previous discussions on the matter, and who have studied the record, will know that the insurance industry has widely welcomed our endeavours in that respect. I have the *Hansard* here, but I would tire the House unduly if I merely read out that which Members already know. In essence, the Bill creates greater certainty about the development of insurance products, to put at rest any doubts that might have prevailed.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What discussions has the Minister had with the insurance industry about the likely cost of premiums? If one of the main benefits of automated vehicles is increased safety, does he expect premiums to fall?

Mr Hayes: We explored that a bit with the industry in the witness sessions on the previous Bill. As Members know, we introduced the Bill and we gave it a Second Reading and a Committee stage—a very good one, actually—as part of which we took evidence from the insurance industry. The Bill that we are considering is very similar to the previous one, which, as a result of the general election, did not proceed.

My guess is that initially, as the marketplace develops and new products emerge, prices will be much as they are now; but that as the record becomes established and insurers' calculations about the likelihood of claims are affected by the greater safety provided by autonomous vehicles, prices may well fall. That is, in the end, a matter for insurers. It is not something that the Government can stipulate, dictate or even, with any certainty, predict. Following on from the intervention by the hon. Member for Eltham (Clive Efford), it seems to me that if the

safety of autonomous vehicles means fewer accidents, insurers will find that out. As they do so, the ability to insure a vehicle will grow and the price of doing so will fall. That is, as I say, a matter for the future and not for now.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): It is very apposite that we are discussing this Bill on the day that the T charge—the toxicity charge—has come in for London, which will take the cost of coming into London to over £20 for people driving cars of a certain age. However, it also brings to mind the fact that there are already incentives on the statute book to encourage people to buy electric cars. As the Minister is in such an expansive mood, will he tell us what representations he has made to the Treasury about offering even greater incentives so that we can ensure the take-up of electric vehicles is even more rapid?

Mr Hayes: In the end, these are of course matters for the Mayor, and the Mayor must come to his own judgment. My own view is that it should be called the K charge, for the Khan charge, or perhaps the M charge, for the Mayor's charge, so that people know exactly why it is being levied. Frankly, I have some doubts about the effect it may have on less well-off drivers and families. I take the view that we need to strike a balance between, on the one hand, being ambitious in respect of clean air—we have set out our plans, which I was involved in drawing up—and, on the other hand, disadvantaging many people who own older diesel or perhaps petrol vehicles, who will be affected by the charge. It is not progressive, after all, to say that everyone, regardless of their circumstances and regardless of who they are, what they are doing and where they are working, should pay the charge. I have some doubts about it, but in the end it is a matter for the Mayor, and he will be answerable for his own K charge.

Let me move on to the substance of what we are trying to do. In practice, we have long since moved beyond the question of whether road transport will be electrified. It is now irrefragable that that will occur. The question now is when—not whether—and at what pace. For many manufacturers in the UK, the answer to that question is, frankly, now. For Nissan, it means the second generation of its best-selling Leaf, capable of about 200 emission-free miles between charges, which is being built in Sunderland. For BMW, it means the introduction of an all-electric version of the Mini to be built in Oxford from 2019. For Jaguar Land Rover, it means the introduction of the world's first electric premium sport utility vehicle, the I-Pace, coming next year, with every single Jaguar Land Rover vehicle being electrified from 2020. Just those examples alone show that British-made electric vehicles are increasingly competitive around the world, but if we are to keep that leading edge into the next decade, we need the UK's charging infrastructure to keep improving.

Helen Goodman (Bishop Auckland) (Lab): I bought a Nissan Leaf last month, and I was very struck by the fact that for people to have their own charging point, they need off-street parking, which is obviously not possible for anyone who has a flat or a terraced house. Will Ministers please consider changing the planning rules to require charging points on new roads in all new housing developments, as well as at railway stations and in all publicly owned car parks, as in France?

Mr Hayes: It is my habit to be influenced by Members of the House during the course of debates. That may sound unconventional, but I actually take Members' contributions in debates such as this extremely seriously, and I think that that is a very good point. I am happy to have discussions about that with my colleagues in the Department for Communities and Local Government. There are issues about the inconsistent provision of on-street charging. That is partly due to planning, and partly due to the fact that some local authorities are more willing than others to install charging points. It is a discretionary matter for planners at the moment, but it does seem to me to be entirely appropriate to consider some of the things that the hon. Lady has suggested, so I am more than happy to have such discussions.

John Woodcock (Barrow and Furness) (Lab/Co-op): While the Minister is in an open frame of mind, will he look not simply at the lack of on-street provision, but at the unreliability of the network at the moment? If he has regularly driven in an electric car, he may well, like so many of us, have had the experience of coming into a motorway service station and finding that the charger is not working and that there is no 24-hour help, which for people whose battery is down to zero is a very significant problem. He may also have had experience of the fact that there are myriad different companies and that many of the providers' systems are not interoperable and do not allow access when people arrive at a service station. A Government who are going to frame such a market could easily intervene and improve this situation.

Mr Hayes: I do not know whether the hon. Gentleman has had early sight of my speech—if he did, he is even more remarkable than I regarded him previously—but I was about to come on to the principal reasons people cite for not buying electric cars. The first is the up-front cost, which will of course come down as volumes grow. As he will know, the Government already contribute considerable amounts of money—again, I will speak a bit more about that later—to offsetting some of that cost. The second is battery reliability, and people's doubts about the technology that is driving electric vehicles. The third is the charging infrastructure, as he described, which is precisely why the Bill addresses that point. It is vital to put in place a charging infrastructure that is widely available and consistent, and that works. He described the circumstance in which someone who might otherwise have bought an electric vehicle is put off from doing so because they are not confident that the infrastructure is as good as it should be, and that is precisely why the Government are addressing this matter in the Bill. We have the chance to debate it tonight and beyond tonight during the Bill's consideration.

Stephen Metcalfe: Will my right hon. Friend give way?

Mr Hayes: I will give way to my hon. Friend once more, but I will then, if I may, make a little progress.

Stephen Metcalfe: While the Minister is talking about the Government's commitment to this area, will he remind the House about the £246 million they are investing in battery research through the Faraday challenge?

That is a serious investment towards solving some of the challenges, and it should reassure people that we are serious about this matter.

Mr Hayes: Yes. I will not amplify that extremely well-made point except to say that my hon. Friend is right that each of the three objections cited are likely to be dealt with, in one way or another, over time. Some will be dealt with by the industry concerned, some will be dealt with by changing market circumstances and some will be dealt with by the sagacious and pertinent behaviour of the Government. It is with both sagacity and pertinence that I will now continue my short—some may say, all too short—introduction to the Bill. Some may not actually say that, but I prefer to side with those who do, so let me continue.

We certainly need to improve the UK's charging infrastructure to ensure that we remain at the forefront of these developments into the future. Hon. Members will know that, as we have begun to debate tonight, the Government have set the goal that nearly all cars and vans should be emission-free at the tailpipe by 2050. That means less pollution and more clean air. I am disappointed that the hon. Member for Brighton, Pavilion (Caroline Lucas) is not in the Chamber because I was going to say that this is not about a preoccupation with some high-flown theory about what the climate may look like in hundreds of years' time. It is about having clean air now—the air our children are breathing in cities—and the particular material that affects human health day in, day out. That is why it is imperative we take action, and we are determined to do so. I am not prepared to have my sons, who are in the Gallery tonight, breathing air that is less clean than it ought to be. I want the same for them as I want for every other young person: to live in a cleaner world with fresher air, which is better for their health and their futures.

Geraint Davies (Swansea West) (Lab/Co-op): I welcome the Minister's words. On the priorities for the charging infrastructure, will he confirm that the focus is on shopping centres and other places where people naturally leave their cars for a considerable time, not just petrol stations and places where they want to nip in and out? If there is a limited resource, it is obviously in the interests of the oil companies to have all the chargers at petrol stations to put people off, but we need them to be where people go shopping and stop at motorway services, and that should be the top priority.

Mr Hayes: That is a well-made point and one that we explored when we considered these matters previously. It is very important that the charging infrastructure is spread. There is a risk, which has been highlighted by Members from all parties, including the SNP Members who served on the last Bill Committee, that charging infrastructure becomes focused on major routes and in urban and suburban areas, and that smaller roads and rural parts of our kingdom are under-provided. That is not acceptable and we will look at ways of addressing it.

The Bill is born of a determination to increase the number of charging points. It does, as the hon. Member for Swansea West (Geraint Davies) suggests, talk of major retailers at the moment, but I am prepared to look at other ideas for how we can seed more charging points more widely. I have no doubt that we will explore that during the passage of the Bill.

Kevin Foster (Torbay) (Con) *rose—*

Helen Goodman *rose—*

Mr Hayes: I will not give way, because I want to make a little progress. I will then give way more liberally—although I hate to use that word, except as a pejorative—as time goes on.

We are not alone in recognising the benefits of electric vehicles. Many major car-producing countries are looking beyond conventional petrol and diesel technology. That is why we want to accelerate the transition and bring the benefits of electric vehicles to drivers, the public and our environment as soon as we can. We are giving financial help to motorists who choose cleaner vehicles through grants and the tax system, as I mentioned, and supporting local authorities to provide incentives such as free parking and congestion charge exemptions. Through the Bill, we want to make it easier and more convenient to recharge electric vehicles.

The Government have already aided the development of a network of about 11,500 public charge points in the UK and significant funding is in place to develop many more. However, in the years ahead, we want electric cars, be they hydrogen fuel cell technology or battery powered, to break into the mass market. The Bill therefore includes several new powers to help to make that a reality. Those powers will establish common technical standards and greater interoperability; increase the amount of consumer information on the location and availability of charge points; and accelerate the roll-out of electric vehicle infrastructure at key locations such as motorway service areas and large fuel stations. However, we will look at other measures, because it is important to ensure that charge points do not become concentrated in the way that the hon. Member for Swansea West and others have described.

There is already a rapid charger at nearly all motorway service areas, but I am mindful of what the hon. Member for Barrow and Furness (John Woodcock) said about making sure that they are working efficiently. We will consider that as a result of his contribution.

Wendy Morton (Aldridge-Brownhills) (Con): Will my right hon. Friend give way?

Mr Hayes: I will give way briefly to my hon. Friend, and then press on a little.

Wendy Morton: I am grateful to the Minister, because I understand that he is trying to make progress. When he looks at the network of chargers at motorway service stations, will he consider the availability of not only the different types of connector, but the different providers, such as Polar and Ecotricity?

Mr Hayes: That is a very good point. I mentioned interoperability a few seconds ago. There is a tendency with new technology for a series of parallel systems to develop. We know that from the development, following the invention of the microchip, of the information technology industry, of which I was a part. It is very important indeed to have greater interoperability and standardisation over time, and certainly for charge points to have a similar look and feel. At the moment, we are not quite in that place, but we can be and I think we

need to be. *[Interruption.]* I can see the shadow Secretary of State for Transport smiling. He thinks that I am going to talk about the Hayes hook-ups. I read his mind—we must know each other too well. I will come to that point shortly.

Mrs Gillan: While my right hon. Friend is looking at the infrastructure for charging electric vehicles, which is obviously one of the most important matters, will he bear in mind the rural areas of our country, because their access to the grid will be limited and that will be exacerbated by a rapid roll-out of electric cars? Will he consider encouraging solar car ports and canopies to help to address those rural grid issues while he is looking at charging points for motorway service stations, coffee shops, retail outlets and so on? I think that that is a significant issue because the rural community is always being left behind and it could be ahead of the curve if he incentivises solar car ports and canopies.

Mr Hayes: My right hon. Friend makes a bold case on behalf of rural places. Given that I represent Holbeach Marsh, Gedney Drove End, Sutton St James, Tydd St Mary and many other glorious places that can only be described as essentially rural—in fact I represent one of the most rural constituencies in the country—she would hardly expect me to neglect the interests of those who live there. We will do our utmost to ensure that they are not disadvantaged by any of the changes that are part of the Bill or any of the things tangential to it.

As I said, the Bill contains several new powers to seed more charge points across our kingdom. I have talked about common technical standards, but we must go further. There are already charging points at virtually all motorway service areas. Just last week, Shell chose the UK as the first market in which to roll out its forecourt rapid chargers, the first 10 of which will be operational by the end of the year. We may not have to use the powers in the Bill if industry progress continues at this pace.

Vicky Ford (Chelmsford) (Con): I want to raise the issue of technical standards. My constituency has a small business that is very successfully retrofitting delivery vans with battery power when their old diesel engine has reached the end of its life. Can we look at standards for retrofitted vehicles?

Mr Hayes: Retrofitting is an important way in which we can improve the existing fleet of vehicles. As my hon. Friend will know, some of the money that is being invested in low emission vehicles is going towards changing the existing fleet, so she is right about that.

I thought of Disraeli as my hon. Friend rose, as I am sure did she. Disraeli said:

“Man is not the creature of circumstances. Circumstances are the creatures of men. We are free agents, and man is more powerful than matter.”

What we do in the future about these things is in our hands. It is in the hands of Governments and Parliament. We can create the kind of future we want and, in embracing this technology, ensure that it is harnessed to best effect. As I have said, not all technological change is implicitly virtuous, so people must not assume that all technological development is, by its nature, efficacious. It has no intrinsic moral aspect. It is for us to decide

[Mr John Hayes]

how the best outcome can be achieved through the kind of technological changes we are considering tonight. That will be done across the House, I know, by people of good will.

We need also to think about what workplaces can do. I want to help workplaces to provide charging facilities for fleets and employees' cars. I want to ensure that vehicle charging is flexible to meet the demands of the grid and avoid extreme peaks in demand. It is in everyone's interest to make the running of an electric vehicle as easy as possible and to get more of them on our roads as quickly as possible. In that vein, the Government will be—

Jonathan Edwards: Will the right hon. Gentleman give way?

Mr Hayes: I just want to make this point, because I am building up to an exciting part of my speech. That may not have been evident, but it will be in a moment.

In that vein, the Department will be seeking the views of the public on the design of the charging infrastructure. I promised previously a public consultation—indeed, a competition—to develop a charging infrastructure that is instantly recognisable. It seems to me absolutely right that when one drives down a street, one should be able to spot an electric charging point rather as one can spot a pillar box or Belisha beacon. It would be appropriate—although I leave this for others to decide—if my name were associated with such a thing. The shadow Secretary of State has suggested it should and I will take that as a proposal, but it is for the House to consider whether it agrees with that proposal and to make a decision on the exact nature of the name. Something alliterative and memorable might suit.

We certainly need to think about consistency with regard to charging points. People need to know where they are. We have electric vehicle charging points outside the Department for Transport, but I am not sure that anyone could spot them driving down Horseferry Road unless they knew that they were there and were familiar with what an electric charging point looked like. They do not stand out and perhaps they should.

Kit Malthouse (North West Hampshire) (Con): My right hon. Friend might remember that at this point in his speech the last time the Bill appeared in the House, I pointed out to him that there were only two charging points in the House of Commons car park for those of us who have electric cars. He undertook to rectify that situation. After his speech, I met someone from the House authorities who said that the points were coming, but they are still not there. I wonder if my right hon. Friend is willing to give them a further kick to ensure that all of us—there are quite a lot of us now who have electric cars—can charge our cars in the car park.

Mr Hayes: I did not want to rush ahead and not give my hon. Friend the chance, on the Floor of the House, to make that point. Now that he has had that opportunity, I think we can proceed with alacrity. It does seem to me to be important that we lead by example. It behoves the House to put in place the necessary infrastructure in the

way he describes. He has, not for the first time, done the House a great service in raising the matter in the way that he has.

Sir Greg Knight: Will my right hon. Friend give way?

Mr Hayes: Is this a bid for more charging points in other places, perhaps?

Sir Greg Knight: I am grateful to the Minister for giving way before he reaches the end of his preliminary remarks. [Laughter.] Has he had any further thoughts on the data log of automated vehicles, how long such information should be kept and who should have access to it? We all expect insurance companies and the police—even if there is no accident, the vehicle might be involved in a crime—to have the right to access the data log, but will others be able to seek access to it, such as an employer trying to see what an employee has been up to during the day, or an ambitious divorce lawyer seeking to prove adultery has taken place and trying to find out where the occupant of the automated vehicle had been during an afternoon?

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Just before the Minister answers that unnecessarily long intervention, I will, for the avoidance of doubt, draw it to the attention of the House that the Minister has already come to the end of his preliminary remarks, is now in the body of his speech, which is necessarily lengthy since he is educating us as well as entertaining us, and will very soon be approaching the peroration.

Mr Hayes: My right hon. Friend tempts me to enter into salacious matters, into which I will not stray. He raised this matter in Committee when we considered the first Bill, and he is right that we need to look at it closely. Information is a powerful tool. The House takes a very serious view on the collection and storage of information, so he is right to explore it. I hope we might look at it in greater detail in Committee. I do not know if he was volunteering to be on the Committee—that is a matter for the office, rather than me—but it is important that we consider information in this debate and discuss it further.

As you said, Madam Deputy Speaker—it is almost as if you had sight of my speech—I am well into the main part of my speech and will be rapidly moving on to my peroration.

In essence, the increase in electric vehicles has big implications for the way we power our cars. Other technologies have profound implications for the way we use our cars. Revolutionary new driver assistance systems are already delivering improvements that motorists now take for granted. Our parents could not have envisaged sat-nav, assisted parking or even cruise control, which would have seemed like science fiction just a generation or two ago. But this is not science fiction; it is science fact. They merely mark the way towards a much more significant change: the combination of technologies we will enjoy in our lifetime, and certainly in our children's, will change motoring profoundly.

We expect automated cars to appear from the 2020s. They present an enormous opportunity for the UK: securing high-quality jobs and investment; creating new mobility solutions that can transform lives; and, as I

said earlier, improving road safety. In 2016, human error was responsible for a very significant proportion of all reported accidents. Automated cars will radically change that. To support consumers and businesses involved in automated vehicle accidents, they will need an insurance framework that is fit for purpose. Currently, they may not be covered for collisions that result from vehicle failure, because in the UK only the driver is insured. Victims might have to take vehicle makers to court, which would be time-consuming and expensive, undermining the quick and easy access to compensation that is a cornerstone of our insurance system. Not tackling this problem risks jeopardising consumer protection and undermining the automotive industry's competitiveness.

We have consulted widely, as the House will know, and, having worked closely with parliamentary colleagues, the automotive industry and the insurance sector, the Government are creating a new compulsory insurance framework that covers motorists when they are driving and when they have legitimately handed control to the vehicle. We will ensure that consumers can buy insurance in the same way they do now, and that they will continue to have quick and fair access to compensation. Insurers will pay out to victims and, where they can, recover costs from the liable party using common and product law.

As I said to the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), not only will this make things easier for consumers, but over time it could also reduce premiums. David Williams, chief commercial underwriter at AXA, one of the UK's largest insurers, said:

"As well as making our roads safer, insurance premiums are based on the cost of claims and therefore we expect substantially reduced premiums to follow."

Automated vehicles, together with an effective insurance framework, as the Government propose in the Bill, could deliver significant financial and safety benefits for road users.

We have had many productive debates in this Chamber and in Committee, when these measures were included in last Session's Vehicle Technology and Aviation Bill. With that in mind, we have made amendments to take into account suggestions made by Members. As I said earlier, we had a considered debate and Members raised issues around software, which we have addressed. Those who study these matters closely will know that Members on both sides of the House talked about the definition of operating systems and how we should improve the proposed legislation. They will have seen, from what we have published, that we have done that. There was an issue about how we define an automated vehicle. Again, we have listened and, as a result of that scrutiny, we have clarified the definition. So far, the scrutiny has resulted in improvements. What we bring before the House is a better product than the one we brought the first time around, although that was, I think, important and welcomed by both the House and industry.

We cannot be prescriptive, for it might inhibit the very innovation we want to encourage. Knowing how much to do is about striking the balance between establishing the certainty that has been called for by a number of hon. Members who have contributed so far, and being, if you like, slightly too dictatorial about what that future might look like.

Geraint Davies: Have the Government considered that automation might require software to make moral decisions? For example, if a car is hurtling down a road and some children go on to the road, would the software decide that the only option is for the car to go headlong into a lorry so that only the driver would die? Has the Minister considered such moral aspects?

Mr Hayes: The research and development work I studied in detail this morning looked at hundreds of thousands of scenarios. The people developing these products are now engaged in exactly this process of designing software capable of anticipating all the variables that drivers might encounter. It is complex and challenging, but it is going to happen. The hon. Gentleman is right, however, that this is about doing as well as—indeed better than—a driver in control of a vehicle and therefore about making the vehicle safer.

Clive Efford: If in making a moral decision—for instance, between hitting a child on the road and careering into a bus—a computer decides that hitting a child is the less dangerous option, what comfort is that to the parents? These are major issues to which we need answers before we allow vehicles with these capabilities on to the roads.

Mr Hayes: That is the point I made earlier about how much we want autonomous vehicles to emulate human behaviour and how much we want them not to. It is a fine balance, but not one we can strike in legislation debated in this House. It will need to be considered further down the line, but it is not the business of the Bill to do so. The hon. Gentleman is absolutely right to raise the issue, however, because it is about whether we can get vehicles that we can be sure about and be confident in and which will then be purchased on the basis that people enjoy that certainty, so I am glad he has raised the issue. It is not one for the Bill, but it is not unreasonable to put it on the table as something to debate in the future.

I want to move to my conclusion. I have spoken about our desire to be a global leader in the production and use of automated vehicles. We all in the House have experienced the benefits that good access to transport can bring. We can continue to debate these issues without amaritude or contumely. As I said earlier, perhaps what moves me most is the fact that some people do not yet have that good access to transport. For the elderly, those with disabilities, or those who cannot drive, using the transport system can be tough, and that can leave them unable to enjoy opportunities that come easily to others. The Government believe strongly that we should act to improve this situation.

If autonomous vehicles make a significant difference to those currently disadvantaged by their inability to access transport easily, they will have done an immense service to our country. In August, we published our draft transport accessibility action plan, with proposals to improve the travel experience of people with disabilities, and a key part of that will be exploring the opportunities that new technology offers to make travelling easier for these people. It might be a while before vehicles can fully drive themselves, but when it happens it has the potential to be transformational—to improve lives, spread opportunities and enable a transport system that works for everyone.

[Mr John Hayes]

Taken together, the two measures in the Bill will ensure that the UK is at the forefront of the most profound changes to affect road transport in over a century. In the spirit of opportunity that enabled my father to provide a good life for his wife and family, we will be driven by the common good. That means cleaner vehicles, easier travel and safer roads. Good Governments know when to step forward and when to step aside to let others imagine, innovate and improve how we live. Ours is an ambitious plan to support the invention, development and manufacture of new vehicle technologies and to build skills and jobs here in the UK.

Ensuring a transport system that works for everyone, now and in the future, means believing in a new generation of cars made available to all so that all might benefit from the chance to travel.

Our glorious past was made by those with the confidence to dare to dream; the will to make dreams come true; and the means to craft and create a future filled with wonder. When our reach extends beyond our grasp, we can do our best, be our best. That is the prospect before us. Now let us reach out to the future. I commend the Bill to the House.

6.34 pm

Karl Turner (Kingston upon Hull East) (Lab): I start by putting on the record my sincere thanks to the Minister—and I do not say that entirely for the benefit of his family in the Gallery; he always co-operates with the Opposition. We greatly welcome his collegiate approach, and we share his objective of making this the best Bill it can be as it passes through the House. We would, however, have liked more time between First Reading and today for Members properly to scrutinise the Bill. It is true that some of these issues were rehearsed during our debates on the Vehicle Technology and Aviation Bill, but we have new Members since the election, and they should have been given more opportunity to scrutinise the Bill. I accept, though, that that is not the Minister's doing but another symbol of the Government's weakness in having to push their non-contentious Bills to the fore.

We broadly support the Bill but have some concerns about the impact of some of its measures. We will press the Government on those and table appropriate amendments in Committee, but the Bill is crucial and we wish to support it. Part 1 deals with automated vehicles and insurance. Ultra-low emission and autonomous vehicles will play an important role in our country's transport in the years to come, so it is right that the Government seek to address some of the issues relating to them. Last year, the UK automotive industry added £18.9 billion in value to the UK economy and supported 169,000 people directly in manufacturing and 814,000 across the industry and throughout the supply chains. Forecasters have estimated that the overall benefits of ULEVs and autonomous vehicles will be in the region of £51 billion a year and that they could create an additional 320,000 jobs. In the light of Brexit, supporting this industry will be vital to the future of our economy.

The uptake of ULEVs will also play an important role in tackling the air quality crisis, which reportedly leads to 50,000 premature deaths each year and hundreds of thousands of cases of respiratory illnesses. It is an air

quality crisis that is choking many of our towns and cities but which the Government have failed properly to address. Labour in government would do better and—it is fair to mention, given the Mayor of London's announcement on toxic vehicle charges today—does do better. These vehicles will also be vital to the UK meeting its climate change objectives, for which the Government currently lack a clear plan.

It is vital that we introduce the legislation needed to facilitate and encourage investment, innovation and the uptake of vehicles of this kind, but if that is to be possible, a definition of autonomous vehicles will be necessary. At present, there is no clear distinction in UK policy, standards and legislation between advanced driver assistance systems and fully automated driving technology. The Bill requires the Secretary of State to prepare, keep up to date and publish a list of all motor vehicles to be used on roads in Great Britain that are deemed to be capable of safely driving themselves without having to be monitored by an individual for some or part of a journey, and the definition of an automated vehicle will be a vehicle that is included in the list drawn up by the Secretary of State. We are concerned that this gives the Secretary of State the power to define what is and is not an automated vehicle. There is clearly a need for collaboration between the Government, manufacturers, insurers and consumers to develop a viable and practical system of classification to identify whether a vehicle should be deemed “automated” or “autonomous”.

The dividing lines between automated and autonomous vehicles are not always completely clear. The Government must give more details of the plans to classify vehicles as automated, and consult widely on the definition and criteria for adding to the list of AVs in the Bill. In Committee, we will press for that to be subject to secondary legislation. Resolving the issue of how automated vehicles can be insured is also essential if they are to become a feature on our roads, and we support the Government's action to ensure that vehicles' insurance policies facilitate that in the future.

We are, however, concerned about the potential cost to policyholders, and the contention over liability between manufacturers and insurers. It is imperative that, in the event of a technological failure in an AV, it is easy for consumers to establish quickly where liability rests, and to make a claim as appropriate. At present, insurance law in the United Kingdom is driver-centric: drivers must have insurance in order to provide compensation for third parties for personal injury or property damage. The Government intend to emphasise that if there is an insurance event, the compensation route for the individual is still within the motor insurance framework rather than through a product liability framework of a manufacturer.

Clive Efford: May I pursue the issue of insurance policies and who will be liable? In the event of a collision between a human-driven vehicle and a vehicle that is being driven by its computer technology, will the insurance company assume, given that 95% of accidents are due to human error, that the computer is right and the human is wrong and is therefore at fault?

Karl Turner: That is a salient point. I understand that responsibility for the fully automated vehicle would rest with the manufacturer.

Tom Tugendhat (Tonbridge and Malling) (Con): The hon. Gentleman is presenting a series of very good arguments, but why does he assume that responsibility for the error would rest with the designer rather than, for instance, the software designer or the programmer, or perhaps even the ethicist who informed the design?

Karl Turner: The hon. Gentleman is right to correct me. The claim will lie with the insurer. However, as other Members have pointed out, the position is not entirely clear. The Association of British Insurers is concerned about the likelihood that existing insurance practices would need to be significantly changed to deal routinely with road traffic accidents involving automated vehicles. The Government acknowledge that in their impact assessment for the Bill, saying that it might result in increased administrative and procedural costs for insurers. Although the Bill does enable them to claim from the manufacturers when the vehicle is in automated mode and deemed at fault for an incident, the Government also acknowledge that there could be significant teething problems with the system, particularly given early disagreements about liability between the parties. I hope that that answers the hon. Gentleman's question.

It is difficult to estimate how different insurance premiums will be when automated vehicles are fully functional on the road. The roll-out and proliferation of autonomous vehicles should produce significant safety benefits, with driver error being either significantly reduced or eliminated. Although that should lead to reduced premiums, a great deal of work will be necessary, as we prepare for this new environment, to better assess whether that will in fact be the case. If there were increased procedural and administrative costs for insurers, there could be higher premiums, in which case there would be a severe impact on the uptake of AVs in the UK, making the Government's actions self-defeating. We believe that the Government must review at regular intervals how the insurance for AVs is working, so Labour will press for a review date to be included in the Bill.

Tom Tugendhat: The hon. Gentleman is making some extremely important points, and I hope that he will forgive me for interrupting him again. On that very issue of insurance, the hon. Member for Eltham (Clive Efford) made the very good observation that human error is the greatest cause of accidents nowadays. It is likely—although we cannot be 100% sure of anything—that the arrival of driverless vehicles would reduce the number of accidents, thus reducing the amount of insurance required and, as a result, reducing insurance premiums as well. Would that not, in many ways, liberate drivers rather than hampering them?

Karl Turner: I agree with the hon. Gentleman. Indeed, I think that I made the same point myself.

Geraint Davies: Does my hon. Friend think that there is any risk of interference with the software by someone malicious—even a terrorist—to make some of these automated devices dangerous?

Karl Turner: That is a valid point, and I know from my discussions with the Minister that the Government are considering it and taking it very seriously.

The second part of the Bill relates to electric vehicles, charging and infrastructure. At this point I should declare an interest, as the proud owner of an entirely electric vehicle. It is a little tiny Renault, a Renault TWIZY. I like to think that it is the Tesla for the many, not the few, because it is really quite affordable.

Electric and alternatively fuelled vehicles are key to reducing air pollution and meeting the UK's climate change objectives, as well as presenting economic opportunities. The uptake of electric, hybrid and alternatively fuelled vehicles is already underway and increasing. However, the Government are still 1.5 million vehicles short of their 1.6 million ULEV target for 2020, so it is imperative that action is taken to encourage their uptake.

Sir Greg Knight: Is not the current problem with some of the smaller electric vehicles the range that they have? I very much doubt that the hon. Gentleman's own vehicle would get him from here to Hull without stopping for a recharge. Hopefully, that difficulty will disappear as battery technology progresses.

Karl Turner: The right hon. Gentleman, who represents a constituency very close to mine, is absolutely right. The current range of my vehicle in London is about 50 miles, so it would take me several days to travel to Westminster in it; however, the technology is improving constantly. I think I am right in saying that the range of the current model of the Nissan LEAF is about 90 miles, but it is about to increase to 235 miles. That would suit me very well, because I think that the distance between my home address and Westminster is about 230 miles.

Mr John Hayes: Partly as a result of the overtures from my hon. Friend the Member for North West Hampshire (Kit Malthouse) and partly to alleviate any fears that the hon. Gentleman may have, I can announce that from next summer, when we begin the refurbishment of the underground car park at the House of Commons, we will provide 80 new electric charge points.

Karl Turner: I am sure the House is very pleased to hear that.

The section of the Bill on EV-charging infrastructure is largely about enabling secondary legislation, and will not have significant impacts in the short term, but we agree that if the UK intends to be a global leader, we need to take broader action sooner rather than later. Given the importance of future-proofing the legislative framework in this area, the Opposition recognise the need to use secondary legislation, but we will seek commitments from the Government to consult properly and widely throughout the process. We will also be seeking assurances and a review from the Government of how the provisions of the Bill fit within a broader strategy for reducing harmful vehicle emissions and promoting a switch to ULEVs and EVs. If uptake is to be encouraged, electric vehicles need to be practical, affordable and convenient for users, which means providing the necessary infrastructure.

Helen Goodman: My hon. Friend is absolutely right: the infrastructure is essential. What thought has he given to what we need to do to prevent the situation that

[Helen Goodman]

we have with broadband? There is very good coverage in certain places but there are notspots in others, and that has really disadvantaged some areas.

Karl Turner: My hon. Friend is right; we have discussed this point, and I will come to it again a little later in my remarks.

Mr John Hayes: Given the points the hon. Gentleman and hon. Lady have made, they will want to know that we are so determined to ensure this facility is spread as widely as possible that last week we announced a further £4.5 million to make charge points available for those without off-street parking.

Karl Turner: I thank the Minister for that information.

There are currently nearly 12,000 charging points for electric vehicles in the UK, but at present there are multiple charging point operators, each with their own plugs, software, customer charges, billing systems and payment methods. They are also unevenly distributed, as my hon. Friend the Member for Bishop Auckland (Helen Goodman) has said. For instance, there are more charging points available in the Orkney islands than in Blackpool, Grimsby and my own fair city of Hull combined, although I had the opportunity today to speak briefly to the chief executive of my local authority area and he assures me that, there are currently 32 charging points in Hull while in the not too distant future we expect there to be 70.

It is therefore welcome that the Bill seeks to increase the number of charging-point facilities and address their harmonisation and standardisation. The Bill will allow the Government to require co-operation and the sharing of facilities and information from operators if necessary, allowing the Government to ensure interoperability for charging regardless of the specific EV a person might have.

Clause 11 gives the Secretary of State the power to introduce regulations that require operators to provide information about public charging points, such as location, operating hours, cost and interoperability, and these, too, are very welcome. It is right, of course, that this legislation should be put in place, but it will not be enough on its own to successfully encourage the uptake of electric vehicles. It was counterproductive of the Government to slash the grants available for ultra-low emissions vehicles and electric vehicles, and to cut the plug-in grants for EVs and for home charging. In May last year, the grant for purchasing an electric vehicle was cut from £5,000 to £4,500, and the grant for hybrids was cut from £5,000 to £2,500. The electric vehicle home-charging scheme grant was cut from £700 to £500 per installation.

There are further issues that are not addressed by the Bill, which the Government must get right. They must ensure that the grid is capable of meeting the additional demands that electric vehicles will bring. I heard what the Minister said about that in his remarks, but that must be planned for and closely monitored as electric vehicle use becomes more common. The Government must also develop a strategy to tackle the skills gap, because without training the necessary personnel, we as

a nation will not be able to support the growth of this new generation of vehicles and could miss out on the benefits that presents.

Mr Hayes: As this is the second time this has been raised, and rightly so, let me say that I am very happy to agree now to initiate discussions during the passage of the Bill with the Department for Education, which is responsible for developing apprenticeships, and with other Departments, so that we can begin, at least, to address this issue of skills. The hon. Gentleman is absolutely right to raise that again.

Karl Turner: I am grateful for the Minister's intervention.

Helen Goodman: On the point about skills, as I have said I bought a Nissan Leaf, and I was struck by the fact that the men in the garage were not good at explaining how it worked. Of the 20 people employed there, I think that only one really understood it. The sales forces also have to understand how these things work.

Karl Turner: My hon. Friend is absolutely right: there must be proper training for sales personnel as well.

On infrastructure more broadly, the Government must ensure that regulatory divergence does not develop between the UK and the EU as a result of Brexit; this is a very important issue. We must absolutely ensure that regulation and standards are maintained after Brexit. That is essential if the UK is to be the vehicle manufacturers' location of choice for the development, testing and deployment of automated and electric vehicles. However, if the Government continue to mess up Brexit, any positives this Bill brings in terms of encouraging the automated and low emissions vehicles industries will be completely negated.

Geraint Davies: My hon. Friend will be aware that Volvo and some other companies are getting rid of petrol and diesel production entirely and are focusing their fire more on France and Germany, which are going to stop diesel and petrol vehicles by 2030, as opposed to 2040, and where infrastructure development is also moving much faster. Does my hon. Friend agree that we need to go at least at the pace of our European counterparts in providing the range of infrastructure needed to encourage the private sector in Britain to get a move on?

Karl Turner: My hon. Friend is absolutely right.

We will table amendments in Committee, but the Opposition are very broadly supportive of the Bill.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I suggest we start with a 12-minute time limit on speeches.

6.56 pm

Mrs Cheryl Gillan (Chesham and Amersham) (Con): It is a pleasure to follow the Opposition Front-Bench spokesman, the hon. Member for Kingston upon Hull East (Karl Turner), particularly as he supports this Bill, as I do; indeed, I say to my right hon. Friend the

Minister that I greatly welcome the introduction of this Bill, which, as I pointed out in one of my interventions, is timely.

The Opposition Front-Bench spokesman talked about the official figures for the ranges of various cars, so he will be interested to know that when I was reading *Next Green Car*, I saw that the new Renault Zoe Z.E. 40 has an official range of 250 miles. It seems to me that almost on a weekly basis new vehicles are coming on to the market with that range extended, which is so important for electric vehicle users who suffer from range anxiety; I gather that that is a new form of anxiety which we can all suffer from if we get an electric car.

It is a great pleasure, too, to be taking part in a transport debate in which I am not discussing High Speed 2. This will come as a bit of a shock to some of my fans, but I have to say that I am more excited about electric vehicles and automated vehicles than about HS2. That is enough about HS2, however—except to suggest that perhaps the track could be used to run automated vehicles along, rather than the antiquated technology the Department for Transport appears to be ordering.

So often legislation and Governments are behind the curve when it comes to technology and science. In the '90s, when I was first elected to this House, we were discussing the human genome project to a greater degree, and the legislation and regulations seemed to be far behind the science and technology at that time. So, unlike the Opposition Front-Bench spokesman, I do not think this Bill can be introduced and put through its stages soon enough, because it covers one of the foundations of this new technology.

We are behind countries such as Norway, where more than 5% of the passenger cars now sold are plug-ins. The Bill, which covers the insurance position on automated vehicles and electric vehicle charging, is setting the framework for some of the most significant advances since the internal combustion engine made an appearance, which in fact halted the progress of the electric vehicle the first time around.

I do not know how many people appreciate that electric vehicles are in fact far from new: wider public ownership of them is new, but the first practical production electric car was built in London in 1884 by Thomas Parker. I have seen a picture of it; it looks a bit like a pram on wheels, and I would not recommend it to anybody. Interestingly, electric vehicles did come into use commercially, particularly in a small fleet of 12 cabs in New York as far back as 1897. The advent of the internal combustion engine provided the advantage of longer range and quicker refuelling. The rapid development of the infrastructure for petrol vehicles meant that electric vehicles took—forgive the pun—a back seat. There is a lesson to be learned from the death of the electric vehicle the first time round and the rapid introduction of the infrastructure for petrol vehicles.

Geraint Davies: Is the right hon. Lady aware that before world war two, all British cities had electric tram systems, and that after the war, the oil and motor car industries conspired to get them ripped out as part of the Marshall plan? Should we not be aware of the oil industry in our bid to get electrification and clean air in Britain?

Mrs Gillan: I will leave the hon. Gentleman to make his own point on that.

I am particularly excited about the progress of electric vehicles because of my concern about the environment. Air quality has already been mentioned, and there is no doubt that the Paris climate talks started to exert the downward pressure on carbon dioxide emissions that will inevitably result in the phasing out of fossil fuels. I have been talking to the Renewable Energy Association, which is the UK's largest trade association for renewable energy and clean technology. It has produced an excellent forward view, which estimates that the move towards electric vehicles will be even more rapid than is currently anticipated by the Government.

Tom Tugendhat: My right hon. Friend is making a fine speech about energy purity and clean air. Is she as excited as I am that so much Chinese technology is coming along, largely due to the dirtiness and air pollution in so many Chinese cities? Does she also welcome the amount of invention that is taking place not through Governments but through the free market and the technologies that it is spurring?

Mrs Gillan: I entirely agree with my hon. Friend. I shall refer to the international scene later in my speech.

The Renewable Energy Association estimates that most new car sales will be electric well before the 2040 diesel and petrol sales ban. It further estimates that 75% of new car and light commercial vehicle sales will be all-electric or plug-in hybrid by 2030. That goes to show that the electric vehicle market is set to be one of the most exciting in modern times. As others have said, however, there are several barriers. They include public policy, the cost and range of vehicles, the lack of infrastructure and the lack of availability of low carbon energy.

The UK's EV and energy storage markets directly employ more than 16,000 people. That number will grow significantly, particularly if our public policy supports growth in, for example, grid flexibility as well as strengthening our building codes and even introducing workplace regulation. In addition to domestic growth, we also have the possibility of post-Brexit manufacturing and export opportunities, which are potentially very significant. However, to expand those export markets, we will need a robust domestic market, which will in turn depend on a reliable, available and affordable low carbon electric vehicle charging network.

The network certainly has a long way to go. I had a look in Chesham and Amersham, which are pretty go-ahead places that will be early adopters of the new technology. I was really disappointed by the electric charging map, however. I saw one point in Great Missenden, one in Little Chalfont and one in Chalfont St Peter. Chesham is ahead of the game with two. I found it interesting that the point in Little Chalfont is at the London Underground car park. I hope that the Minister will say something later about encouraging organisations such as London Underground and Transport for London to invest in far more charging points at their car parking facilities throughout the south-east.

As I said earlier, international progress is going to be rapid. My hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) mentioned China, and it is worth taking a few minutes to look in more detail at what is happening internationally. In the UK, the Government have confirmed that they will ban the sale

[Mrs Gillan]

of new petrol and diesel vehicles without a battery element by 2040. France has done the same. The Netherlands has confirmed its plan to ensure that all new vehicles are emissions free by 2030. That will effectively be a ban on the sale of new diesel and petrol vehicles. Germany is considering banning new petrol and diesel cars by 2030. That would certainly require the upgrading of the country's entire manufacturing processes and supply chain by that date. China is considering a ban similar to the one being introduced in the UK, but it has yet to announce a timeline. I think that that will be highly significant. Moving on to another country with a vast population, India has announced that it wants all new car sales to be electric by 2030.

An interesting by-product is the question of what will be needed for the manufacture of the batteries. Volkswagen estimates that 40 gigafactories are going to be needed for battery manufacture globally, and there is a belief that there is scope for a number of those factories to be located in the UK. They would create new manufacturing jobs and inward investment, if domestic markets were created for those battery products. I hope that the Minister will tell us what possibilities exist to encourage that sort of investment in our manufacturing in the UK.

I welcome the Bill. There is no doubt that the national roll-out of a strategic, smart and effective charging infrastructure is a critical component of developing the electric car market. The move to hold powers to require service area operators to provide a minimum level of EV charging is welcome, both on motorways and trunk roads. There is already some provision for charging on the majority of major motorways and trunk roads by one dominant operator, but there is a need for more competition and for making access easier in order to break down the perceived barriers to the uptake of EVs.

The applicability of these provisions to large fuel retailers that are not part of trunk road or motorway service areas might not be as valuable, however, because the dwell time at such sites is less desirable to the motorist. EV drivers typically stop for a short break commensurate with the time required to get a significant charge. There might be a need for further provision in areas where customers need to rely on public rapid charging instead of the classic overnight charging at home or at work. In those areas, the charging would be likely to be combined with another amenity, and it is therefore essential that the Government consider these provisions in relation to retail sites and coffee shops, for example, to provide an associated activity alongside the charging of the vehicle.

In the light of the alternative fuels infrastructure directive, we are starting to prescribe a common standard for what the future of EV charging should look like. We will also need to allow roaming. Just as we have roaming for phones, we will also need roaming to allow vehicle operators to use other people's equipment. I would like to know what the Government are doing to encourage the use of another operator's hardware, in order to cross the barriers created by having a contract with a single user.

It has been mentioned that the variety of ways of accessing charging points through accounts, cards or smartphones is confusing and unnecessary. We need to look at standardising that process. The requirement for

charge points to be smart, especially those at home and in the workplace, is essential. It will allow electric vehicles to become part of the developing decentralised grid. We need to be able to use those vehicles not only to take power out of the network but to put it back into the grid at certain times. I hope that that massively distributed part of our grid infrastructure will become a reality with EVs, and I would like the Minister to say something about that as well. I have already mentioned the fact that solar carports and canopies will be essential to ensuring that rural areas are not disadvantaged.

I wondered whether there was any possibility of amending the Bill, so I want to make a couple of suggestions before I sit down. The Government could consider going further and regulating so that all new houses and housing developments with driveways or on-site capacity for EV charging should have the three-phase electricity supply that is necessary for effective charging of EVs. We should also ensure that the minimum power supply levels are included in building codes for all new homes, offices, shopping centres, public buildings and other areas where parking is available to the public. While we have only a small number of EV charge stations at present, that would ensure that retail sites can rapidly expand as demand grows. All new workplaces should also have EV charging facilities on site or a provision to install charge points. Lastly, those who have electric vehicles should be identified. In Norway, such vehicles have the identifying letters EL on their licence plates, which can go up to 99999, meaning 99,999 vehicles, and I think they are up to about 60,000. I hope that people can be rewarded by the Government for turning to electric vehicles. It is an exciting technology. It is the future, and I am glad that our Government are grasping it by the horns.

7.11 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): We often get a feeling of déjà vu in this place, and tonight is another of those times; I feel like we have been here and have heard some of these comments before. I warn Members that if any of them have actually paid attention to my speeches on electric vehicles, they will get another feeling of déjà vu. [HON. MEMBERS: "Hooray."] It merited more than that. Anyway, the sense of déjà vu comes because the Bill was clearly part of the previous Vehicle Technology and Aviation Bill, which is testament to the folly of calling a general election. Not only was it a waste of money, but we are now revisiting legislation that had effectively already been through its Committee stage. We are redoing work that has been done before, which is costing the taxpayer money. [Interruption.] I will give way if the hon. Member for Tonbridge and Malling (Tom Tugendhat) wants to make an intervention.

Tom Tugendhat: The hon. Gentleman was saying that the general election was a waste of money, but I cannot possibly agree. We have 13 Conservative MPs in Scotland, which is a great success all on its own.

Alan Brown rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I think I need to help a little. Sit down, Mr Brown. I am not quite sure whether a debate on the number of MPs in Scotland has any relation to electric vehicles. I call Alan Brown—stop enticing them.

Alan Brown: Thank you, Mr Deputy Speaker. Just before I move on, this is proof of where this Government are at. What was the Vehicle Technology and Aviation Bill has been split in two. We have had the two-clause Air Travel Organisers' Licensing Bill, and we now have this Bill. I am surprised that the Government have not split it in two to pretend that they have a bigger legislative programme over the next two years. *[Interruption.]* Perish the thought indeed. All that said, despite these comments which might seem churlish, I welcome what is in this Bill. It is a welcome step forward even if there is a feeling of déjà vu.

As the Minister set out, it is clear that there is a desire to increase the number of users and get to a stage where we can use fully autonomous cars, which will increase road safety. As has been mentioned, accidents are generally caused by human behaviour—driving when tired or people being distracted—so autonomous vehicles would remove the human risk factors. Changing insurance regulations so that insurance does not depend on the driver, which is the case at the moment, is clearly welcome. It is an enabling process, and I welcome part 1 of the Bill for that reason. The Minister said that it is hoped that autonomous vehicles will lead to reduced insurance premiums, yet we need to ensure that increased procedural and administrative costs for insurers do not lead to higher premiums. If that is the case, there could be an impact on the uptake of autonomous vehicles, so I ask the Government to review the cost of insurance premiums and whether there has been a negative impact on the uptake of autonomous vehicles.

It is important that Scotland is not left behind in this process. Indeed, when it comes to autonomous vehicles trials, Scotland needs to be included. Where better to trial the use of autonomous vehicles roads than on the narrow country roads of Scotland? Scotland still has single track country roads with passing places, and we sometimes have stand-offs where the drivers look at each other and wonder who is going to reverse all the way back to a passing place. Autonomous vehicles could improve that situation and make narrow rural roads safer, but trials will need to be held to see how autonomous vehicles cope with such situations.

I welcome the UK Government's commitment in the industrial strategy to look at an autonomous vehicle hub, and we ask the Government to talk to colleagues in the Scottish Government about the opportunity of finding a suitable hub in Scotland. Autonomous vehicles are another technology strand that the UK Government claim to be global leaders in, but being a global leader means greater financial commitment. It also means collaboration, so the Government need to think how things will play out in a post-Brexit world.

Part 2 of the Bill relates to the necessary infrastructure for electric vehicles, which is overdue if further progress is to be made towards decarbonised transport. The UK Government announced a commitment that all new vehicles will be non-carbon by 2040. However, the Scottish Government have a more ambitious target of 2032, so I ask the UK Government to consider being more ambitious as well. We hear about a future with a smart grid, and electric charging can be part of it, so the UK Government need to start doing some long-term strategic planning towards that. We need wider policies that are linked together in order to implement the plan and make things happen.

Air pollution contributes to 40,000 premature deaths a year, so we really do have to decarbonise much quicker, and that is why I am asking the Government to consider more ambitious targets. Transport contributes 23% of carbon dioxide emissions, making it the joint largest contributor of emissions along with power generation, so decarbonisation is so important. As we plan for ultra low emission vehicles, there should be incentives to get diesel cars off the road. It cannot just be left to car manufacturers to operate diesel scrappage schemes. Given that it was a UK Government policy years ago to incentivise people to buy diesel cars, they have a responsibility to incentivise the scrappage of diesel cars and to encourage people to use electric vehicles. I have spoken previously about the need to consider the use of the secondary engines that run the refrigeration units on HGVs, which pollute much more heavily than other engines, so Government intervention is required. I welcome the fact that the Government are consulting on the use of red diesel in refrigeration units, but more action will be required.

The Bill provides some limited interventions that will help towards the uptake of electric or ultra low emission vehicles, but it is clear that much more will be required. The Bill makes provision for greater clarity in the information on charging points, which is welcome and necessary to improve consumer confidence. As has been said, users are not just concerned about range; they need to know where they can charge their vehicles. It also makes sense to have continuity of charging points and access to them, which is required to build consumer confidence and people's willingness to take longer journeys without the concern of being stranded due to incompatibility with charge points. In that regard, clause 9 is an enabling clause, so proper regulations will be required sooner rather than later.

The Bill's specification requirements on technology are welcome, because concerns were raised in Committee on the Vehicle Technology and Aviation Bill about possible hacking. Ensuring that is not a risk is important not just for cyber-security and safety but for underlying consumer confidence in electric vehicles.

If there is to be a bigger uptake of ultra low emission vehicles, there needs to be more charge point infrastructure. Although the Bill makes provision to force large fuel retailers to provide public charging points, greater clarity is required on how that will be implemented, on what exemptions will apply and on how Government funding will be provided. As we move towards ultra low emission vehicles, the current fuel provision network will no longer be fit for purpose, so just piggy backing on the existing fuel supply network might not be the best way forward. As we move to non-carbon transport, existing fuel suppliers will clearly change and modify, and they may no longer exist.

Better strategic intervention and direction is required to ensure a transition to ultra low emission vehicles. It is not sufficient that the Government believe infrastructure is best planned and delivered locally by public authorities, businesses and individuals—that is why we have heard today about the inconsistent roll-out of electric charging infrastructure. The Government pledge of £32 million for charging infrastructure between 2015 and 2020 is insufficient.

Let us compare that with the Scottish Government's investment of more than £11 million since 2011 in developing the ChargePlace Scotland network of more

[Alan Brown]

than 900 publicly available electric vehicle charging bays. Even so, the Scottish Government have acknowledged that they need to do more. Currently, some £15 million per annum is spent on low carbon vehicles and infrastructure. However, the Scottish Government's ambition is to more than triple the budget to £50 million per annum over the period 2018-19 to 2021-22. The UK Government should reconsider their funding arrangements, too.

The SNP Scottish Government will also accelerate the procurement of ultra low emission vehicles in the public and private sectors, transforming public sector car and van fleets by the mid-2020s and commercial bus fleets by the early 2030s. What are the UK Government doing on that?

Another example of where the Scottish Government are leading the way is the SNP's commitment to making the A9 Scotland's first electric highway. We have also committed to providing financial support for local solutions and small-scale research and development to address issues such as charging in tenement properties. The UK Government also need to consider such practicalities—other hon. Members have already mentioned terraced houses and flats.

There needs to be greater joined-up thinking across the research and development sector on low emission transport and renewable energy, which was at least alluded to in the industrial strategy. The Faraday challenge may assist with that, but more needs to be done.

Decarbonising transport without increasing demand on the electricity network while meeting the 2050 emission targets means doing a lot more than is in the Bill at present. It is an enabling Bill, but more needs to be done. Sales of ultra low emission vehicles are still hovering in the 1% range, so we clearly still have a long journey ahead. The Bill is just a wee baby step forward.

7.23 pm

Edward Argar (Charnwood) (Con): The thrust of this Bill is rightly uncontroversial and consensual. Were persuasion of its merits needed, it was supplied by the Ciceronian eloquence and elegance, and indeed the exhaustive explanations, with which the Minister for Transport Legislation and Maritime, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes), characteristically set out his case.

As hon. and right hon. Members have said, the pace of technological change in this area, as in others, is rapid and dramatic, and is in many ways a manifestation of the much-talked-about fourth industrial revolution. The prize in this space is huge. We all want the UK to be the best place in the world to innovate and invest, and for society, individuals and the environment all to benefit as we do so.

My hon. Friend the Member for Wimbledon (Stephen Hammond) and my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan) made extremely important points. Where technology advances rapidly, the regulatory framework too often lags behind and in some areas, as here, risks acting as a drag on that new technology.

The key to this Bill is that it seeks to remove barriers to the market operating and developing as we would all wish. Given the pace of change, it is right that we

include provisions to enable the use of delegated legislation, with appropriate scrutiny, to allow the regulatory framework to continue keeping up with the pace of change—creating a framework to stimulate the market, but not specifying the specific technological solutions.

The Bill has two key aspects, as other hon. Members have said. First, the Bill is about stimulating automated vehicle technology, which is in its infancy. There are then the provisions on electric vehicles, a technology already set fair and continuing to grow, but which must be encouraged.

Automated vehicle technology continues to develop apace. In 2015, only a couple of years ago, there were four test sites in the UK looking into that technology and how it might develop. I hope more sites will explore the technology in future and that at least one of those sites might be in Scotland, drawing on the track record of experience and innovation north of the border, as highlighted by the hon. Member for Kilmarnock and Loudoun (Alan Brown). In order for there to be such growth, one of the key barriers that must be overcome is insurance. Insurance policies and the insurance framework were designed for an age—indeed, our age—when all vehicles were controlled by humans and the idea that they would not be was inconceivable, with an individual being held responsible for their decisions and actions through the courts and through the insurance framework. We have already seen technology move on—for example, as in automated parking—but we have yet to see the insurance framework move with it.

Tom Tugendhat: My hon. Friend makes an interesting distinction between a vehicle controlled by a driver sitting at the steering wheel and a vehicle controlled by technology, suggesting that the latter is not controlled by a human. But of course it is controlled by a human—the human who wrote the code, who came up with the ethical choices and who designed the system, and who is now remote from the vehicle. There is still human control. It is merely a question of which human is responsible, not whether a human is responsible.

Edward Argar: My hon. Friend makes an important point. Perhaps I should say a vehicle's driver has historically been held responsible. Of course, in this context the person who wrote the code would not be held responsible. The insurer, in the first instance, would be held responsible, with the insurer or the authorities being able to pursue remedies against the manufacturer through the courts were there to be a technological flaw or error. It is right to keep the insurer as the first step in seeking redress, as that makes redress as swift and easy as possible for an injured party, while not taking away the opportunity through the courts to address any issues that arise with the manufacturer.

I will address four areas of policy relating to automated vehicles. The first is safety. Concerns have rightly been expressed in the press and, on occasion, in this House about whether the technology is safe and whether this will be a safe way to proceed. The technology is in its infancy and continues to be explored, but the statistic from the Department for Transport is that 97% of accidents or collisions relate to human error, with the explanatory notes and the Library briefing on the Bill stating that it mainly falls into two categories. One of those is a driver losing control of the vehicle, driving

too fast for the conditions or not being able to manage the vehicle's progress. The other is a driver not seeing something. We would hope the technology would be perfect—I am not sure whether it will or will not be—but any technology is likely to significantly reduce that level of accidents and human error.

That takes us to the second challenge that has been both raised and then addressed by Members from both sides of the House: the impact on insurance premiums and the insurance market. Let us suppose that that reduction in accidents that we would all hope and expect to see occurred. As has been said in this debate, with the Minister, the shadow Minister and my hon. Friend the Member for Tonbridge and Malling (Tom Tugendhat) I believe making this point, we would expect to see that helping to drive down premiums. That is not a reason for the insurance industry not to continue developing new products and streamlining its processes—I hope it will—so that this does not add to an administrative burden for those purchasing insurance, and I think there is a potential to drive down premiums there.

Tom Tugendhat: Given his expertise, I know that my hon. Friend will know that the car insurance market underwrites a lot of other insurance markets, as it is the most profitable, so the loss of premium in that market could have consequences in other insurance markets, including home insurance, that would have other societal consequences. I am sure he is going to address that.

Edward Argar: My hon. Friend is right to say that changes on this scale have the potential to change not just the technology, the way in which we use it and the way we live our lives, but the supply chain, the energy market and the insurance market. One challenge for all of us and for that market is how it evolves and adapts to that change. In his speech in March on the precursor to this Bill, he highlighted to hon. Members who perhaps suggested that the pace of change was too fast that we cannot sit still and use the challenges posed to the current ways of doing things as a reason for not progressing.

There are two final areas I wish to touch on in respect of automated vehicles, the first of which is the environmental benefits that could be delivered through fuel-efficient transportation, for want of a better way of putting it. One would hope that the decisions made by a computer are that bit quicker and more efficient than reactions by a human, so this has the potential to bring about increased fuel efficiency. The other area is one the Minister highlighted: the opportunities that automated vehicles provide for those who may until now have been excluded from driving or from making use of vehicles, be they elderly or disabled people. These vehicles may well increase the opportunities for them to make use of this way of getting around.

The second part of the Bill deals with electric vehicles, a technology that is already well developed. I was very much involved with this issue in a past life, as Westminster City Council's cabinet member for the environment and transport. One key thing I worked on back then with the Mayor and my colleagues in city hall was expanding access to electric vehicle charging points in central London. In many ways, this is the easy end of the scale in expanding use. My hon. Friend the Member for North West Hampshire (Kit Malthouse), who is no longer in his place, has spoken eloquently on this subject,

and in his successful time as deputy Mayor of London he did much to drive forward the technology and access to it. My hon. Friend the Member for North East Derbyshire (Lee Rowley), a former cabinet colleague of mine on Westminster City Council at the same time, also did a huge amount to expand that network. Westminster is one of the most heavily covered parts of the capital—it may even be the most heavily covered—for EV charging points, which increase access. One may argue that it is a part of the country that needs fewer charging points than others because the average journey in London is 10 km or less, and even current battery technology is normally capable of delivering that.

Achieving the roll-out and the commercial success of EVs more widely requires a number of key issues to be addressed in the country as a whole, the first of which is choice. In any market where a consumer makes a decision on where to invest their money and what to buy, particularly on a purchase of this size, we want to make sure that there is a functioning market. We see that in place, with myriad new electric vehicles coming on the market every year. The technology also needs to be affordable and we need to make sure that the charging networks are simple to use. We need the prices to come down and we need this to be seen as a viable and affordable alternative to conventional fuels. We must ensure that we have a network of interoperable charge points so that people can plug in regardless of the network they are on or the deal they are signed up to. That relates to the point made by my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan) on concerns about range. The grid must be smart, so that we can ensure we do not overload it when everyone comes home from work in the evening and plugs their car in and suddenly we see a surge in demand. Charging must also be swift. The point was well made that at service stations or motorway service areas there is an opportunity for people to plug in their EV and charge it while doing other things, but many people will want a quick charge and to move on.

The technology continues to develop but it is not there yet. A wonderfully interesting book was written some years ago called "Start-up Nation" which is about innovation in Israel. It talked about technology being developed to charge an electric vehicle's battery in a matter of minutes. I do not know whether that technology worked or whether it is still being developed, but it shows that the innovation and the willingness to drive it forward are there. All these things are addressing the challenges of battery technology, but I believe that as we move forward—as we have seen with renewable energies—we will see significant strides in battery technology which will deal with these challenges. This Bill gives the scope for all these issues to be addressed. On technological advances, one of the best analogies we could draw is with the early mobile telephones. Twenty or 30 years ago, a mobile phone came with a briefcase, which was its battery pack, but over a very short period that was reduced to something that is probably smaller than my thumb. I see no reason why as this market develops we will not see similar developments in this area.

I believe the future is bright. We have an obligation to future generations. Not only are the economic benefits and the benefits to individuals evident, but we hold our environment in trust and it is in its environmental opportunities that the greatest opportunities with this

[Edward Argar]

technology exist. As the hon. Member for Kilmarnock and Loudoun set out, it is estimated that about 40,000 people die annually from illnesses related to poor air quality. Some 80% of nitric oxide in inner-city hotspots is due to road transport, so the potential to address both air quality and climate change is there. Some may fear that we are swapping dirty fuel in cars for dirty power generation, as more electricity is needed. I would say simply that that is not a reason not to act; it is exactly why we must in parallel continue to embrace the opportunities presented by green and renewable power generation, building on the real progress made so far, also enabled by technology.

To conclude, this is a Bill to be welcomed. We must seize the opportunities that new technology offers for our economy, for enhancing our daily lives and for preserving and enhancing our environment for future generations. This Bill does that and I am pleased to support it.

7.38 pm

Justin Madders (Ellesmere Port and Neston) (Lab): I am pleased to have the opportunity to contribute to the debate on this Bill, as the automotive sector is an important part of my constituency. It is home to the Vauxhall Motors plant, and last week, we heard the sad news of 400 redundancies. The site has built Vauxhall vehicles for more than 50 years and there is once again real concern about the future of the plant—I will return to that later in my remarks. In addition to Vauxhall, we have hundreds of dependent jobs in the supply chain, and many of my constituents are employed by nearby manufacturers, such as Toyota and Jaguar Land Rover. I shall focus on the impact on jobs—not only the immediate challenges for the automotive sector, but the Bill’s long-term employment implications, which I fear we are not going to address until it is too late.

It is right that we begin to address the legal impediments to automated vehicles and help them to become part of the transport network. As with all technological developments, we need to ensure that the legislative framework is in place, not only to keep our citizens safe and protected, but to send out the signal that this country encourages innovation. We need a simple and timely method to determine liability in the event of an accident, and the Bill will achieve that aim. The likelihood is that over time the number of accidents will reduce substantially as the opportunity for driver error is significantly reduced, but I am not quite as persuaded as some Members that that will lead to any dramatic reduction in insurance premiums.

I imagine The Highway Code will have to be reviewed in due course, and although we are addressing civil liability in this debate, we may in due course have to consider changes to criminal law. At what point does the occupant—I use that term rather than “driver-operator”—cease to be personally liable for any breaches of criminal law? Will we need new offences to take account of the consequences of deliberate hacking?

I have read the lengthy discussions about software updates from the debates on the Bill’s previous incarnation, and I must say that I am not at all clear about where responsibility would lie if a vehicle did not have the required software updates. Should that be looked into

in the context of MOT certificates? We are used to regular updates for consumer products such as phones—in fact, that is part of the manufacturers’ business model, to encourage us to buy new phones every few years—but a car is a rather different proposition. A balance needs to be struck between public safety and consumer rights. I do not want to see a £30,000 vehicle becoming unuseable because the owner refuses to pay what they consider to be an extortionate cost for a software update.

We need to consider the broader issue of value judgments. In all the films about artificial intelligence—in which, of course, most of the time things go wrong—machines usually have some sort of in-built fail-safe that prevents them from doing harm to humans. One can see how that idea could be transferred to an autonomous vehicle’s operating system, but it is inevitable that there will be occasions on which evasive action might prevent harm from being done to the passenger but could cause injury or worse to a pedestrian. Earlier in the debate, my hon. Friend the Member for Eltham (Clive Efford) gave an example of how such circumstances might arise.

We in the House of Commons need to have a view on what happens if a car swerves off the road to avoid hitting another vehicle but, in doing so, hits a pedestrian on the pavement. I am not comfortable subcontracting that kind of value judgment to a software developer, and I am even less comfortable subcontracting it to some kind of machine that learns through trial and error which decisions to take. Of course, we humans will not have clear sight of how such machines make those decisions, and we might not be able to understand anyway. I was less than reassured by the Minister’s response to my hon. Friend the Member for Eltham. I suspect it would not be straightforward to put something of that nature into the Bill, and it is probably a few years before that kind of dilemma becomes relevant, but we do need to consider now how Parliament can ensure transparency and accountability for what could potentially be life and death decisions.

I have given some general observations on the kind of moral and legal questions we need to consider in the context of the Bill, but the main issue I wish to address is the Bill’s effects on employment, both good and bad. I know that the Government are looking to make the country a world leader in both automated and battery vehicle technology with initiatives such as the Faraday challenge, but I am concerned that although we will be a market leader in developing the technologies, our economy will not feel the full benefit of them because the mass manufacture of new vehicles will take place elsewhere. Dyson is a good example: it currently employs hundreds of people in this country to develop its own electric vehicle, which is of course a positive development, but so far it has not made any commitment to manufacture that product, when it is finalised, on these shores. Of course, Dyson has form in this area.

Sir Hugo Swire (East Devon) (Con): The hon. Gentleman will be aware that this country manufactures more automobiles than the whole of Italy. Does he not think that that manufacturing can go on when we change from the combustion engine to the electric vehicle?

Justin Madders: I shall develop that point, because we need to address some challenges relating to investment in manufacturing. The move to the manufacture of

electric vehicles is going to require huge investment in plant machinery if we are to maintain our manufacturing base. The majority of engine plants in this country are still building combustion engines, so we need to think about what assistance we are going to give to those companies so that they can make the change to manufacturing electric engines. The Bill is pretty comprehensive on the infrastructure for consumers, but I am not sure there is the same level of commitment to the idea of the country as a producer of these vehicles.

We have heard that the Government intend to cease the sale of all petrol and diesel cars by 2040. The temptation might be to think that that is a couple of decades off so we do not need to worry about it now. However, if we are serious about it, the major manufacturers will begin to shift production to the new model types within the next one or two production cycles, particularly if consumer trends accelerate that. People will begin to look at the resale value of their vehicles, and if they see that petrol and diesel vehicles lose their value at a much quicker rate than electric vehicles, they are bound to purchase electric vehicles in much larger numbers. The right hon. Member for Chesham and Amersham (Mrs Gillan) mentioned some studies that suggest that the Government's predictions on electric vehicle take-up are possibly a little on the conservative side. We need to be ready to intervene swiftly when decisions are made on new-vehicle manufacturing so that we have the best possible conditions for companies to invest in their production lines. For example, Vauxhall tells me that every time it looks to invest in new machinery, that has a negative consequence for its business rates.

Of course, at the moment the real challenge to the automotive industry—to all manufacturing—is the uncertainty created by Brexit. Investment in the automotive sector has halved over the past 12 months. We need to reverse that trend as a matter of urgency; otherwise, the new vehicles that it is hoped the Bill will facilitate will be manufactured elsewhere. A big part of that is reassuring as much of the car-manufacturing supply chain as possible. Too many parts needlessly travel back and forth across the continent. In the long term that makes little economic or environmental sense, and in the short term minimising it will lower the risk of a hard Brexit.

There is an immediate short-term need to proactively support UK car manufacturers, and I hope we will hear some good news in next month's Budget. There is also the bigger long-term issue of how the Bill might affect employment levels. There are plenty of predictions out there about how many jobs will be lost to automation, and I know that there is always the argument that in the past technological advances have always created more jobs than they have caused to be lost, but this revolution is going to be on a scale and at a pace for which we are still quite unprepared.

It is estimated that 1 million driving jobs could be lost within the next 10 to 15 years. With some studies indicating that up to half of all jobs could be lost to automation and artificial intelligence in the next 20 years, there needs to be a twin strategy for dealing with the economic impact of the proposals in the Bill. To that end, I would have liked to have seen an economic impact assessment on the likely job changes that will occur because of the Bill. Even in the optimistic scenario that lots of new jobs are created following this revolution, what do we know about the sort of jobs that will be created and where they will be based?

A report published last week looked into the impact of automation constituency by constituency. It said that the worst-performing constituencies were set to lose around 40% of their jobs within 15 years. Although there were plenty of constituencies throughout the country at the top end, the pattern was clear: the biggest losers tended to be in the midlands and the north. I would like to see a similar study that shows the pattern of job creation in the new industries, but unfortunately none yet exists. If we did one, I rather fear that it would tell us that the new jobs created are not going to be in the areas that are set to lose the most. I do not want to see a repeat of the 1980s, when industry outside the south-east was subject to catastrophic losses of jobs that simply were not replaced.

Although I have painted some rather gloomy pictures, I am not a Luddite; I am a realist. I realise that the genie is out of the box and that there are tremendous advantages, and several Members have referred to the positives that driverless technology can bring to society, but we should not be blind to the consequences that these changes may bring. We need a fundamental debate about what we are trying to achieve here. The manufacturing infrastructure is just as important as the consumer infrastructure. The impact on existing jobs needs to be considered as much as the tremendous opportunities that this new technology brings. Finally, the new legal framework that we are setting up needs to be considered in the context of the moral framework that underpins it.

7.50 pm

Sir Oliver Letwin (West Dorset) (Con): I draw the attention of the House to a potential interest of mine: I am discussing a possible role with the Faraday Institute, which promotes battery development in this country.

I want to make two points about two aspects of the Bill that will need further discussion in Committee. I would have raised them in proceedings on the earlier incarnation of the Bill if it had not become so evident that it was going to disappear from view due to the election.

The first relates to clauses 2 and 6. It is clear that the Bill intends to do what my right hon. Friend the Minister for Transport Legislation and Maritime said, which is to make the situation clear for the insurance industry. Unfortunately, it does not quite succeed in that in its current draft. He slipped into pointing out the problem himself when he inadvertently spoke of the driver not handing over control to the automated system, but, as *Hansard* will show, legitimately handing over control.

If one looks at the articulation of clauses 2 and 6, one sees that what determines whether the insurer or the person is liable—apart from the question of whether the vehicle is insured—is whether the vehicle was being run by the machinery rather than by the person. Unfortunately, that is not quite a complete explanation of what we need to have explained in order to make this work in terms of liability. It will not be a complete explanation of what we will need to treat this in the criminal law—clause 6 comes very close to a piece of criminal law. It will be very important that the criminal law does reflect the liability structure in the civil law. The reason why none of these questions is completely answered is that the question arises, “Was it, under these circumstances, appropriate or not appropriate for

[*Sir Oliver Letwin*]

the person who was or might have been the driver to hand over control to the machine, which had become the driver?"

In case anybody thinks that that is an academic point, let me point out that it is extraordinarily likely that, as the technology develops and as artificial intelligence more and more becomes a part of that technology, we will find that, under these clauses, the Minister has to distinguish between different moments when it is appropriate to hand over control, and moments when it is not. For example, it may be that, for the sake of our motorways running much more efficiently, much more accident-free and much more intensively, it would be appropriate and, at some point, even mandatory for a motorist to hand over control of the vehicle when they are on a motorway in a way that might not be appropriate when they are on a single track road in my constituency on a rainy day. It may take a lot longer for the machinery to be able to handle the single track road in West Dorset than for it to be able to handle steady progress along the M4. As that is a likely situation, the moment of handover is a crucial element of getting the liability structure sorted out. If we do not get that sorted out now at this early stage, the insurance companies, when they come to consider the legislation, will discover that they do not have the framework that they thought they had, and we will not get the benefits that my right hon. Friend rightly seeks from that part of the Bill.

I also welcome part 2 of the Bill. When I was in government, I was involved in considerable efforts to improve the charging structure. It is the right thing to do. Much that needs to be done is dealt with in this part of the Bill. The regulation-making powers enable Ministers to deal with many of the points that have been raised in the preceding parts of this debate. Unfortunately, the regulation-making power in clause 9 and even in clauses 10, 11 and 12 is not only incomplete, but very materially incomplete. It will miss out the single biggest part of what needs to be regulated.

Reference has been made in this debate to off-street charging and to free-phase charging. These are the crucial elements because for that half of car users who do not have off-street parking—typically that is urban dwellers, particularly those who live in flats and terraced houses in urban settings—charging overnight, or at any time when they are not at work, will typically have to take place on urban streets. The people who will deal with urban streets are not local authorities, which was mentioned in the debate, or any of the objects of regulation here, but the public utilities that service our streets with the electric cables that run through them.

Sir Hugo Swire: Does my right hon. Friend not agree that, during the transition stage when we move to electric autonomous vehicles, there will be a period in which a goodly percentage of the population will retain normal diesel or petrol vehicles? How will we divide up the streets? If every single parking space in an urban area is given over to electric charging, will that prevent those who do not need to have electric charging from parking? Will we have to discriminate against them?

Sir Oliver Letwin: My right hon. Friend raises a good question, which has a very clear answer. For decades, in Saskatchewan and other parts of western Canada where

it is extremely cold, every single parking meter—parking meters are common on the streets there—has been equipped with a power point, enabling the driver to plug in the car radiator with the signal advantage that the car can then be started, which it otherwise could not be. It is perfectly possible to mandate that the utilities place charging throughout all urban streets so that every place is a charging point and then the question that he raises disappears, because a driver uses it if they are a conventional internal combustion engine and if they are electric. Gradually, there will be more electric cars and fewer internal combustion engines. The space will be the space and it will always offer charging. If we do that—it will not be expensive if it is done incrementally, starting now under regulations—we will find that the largest part of the problem of charging disappears. Unfortunately, with the way that the regulatory powers have been cast, the Secretary of State does not have the power to make regulations of that kind and therefore a substantial amendment is needed to clause 9. That will also enable the Secretary of State to do the second most important thing, which is to mandate that there be free-phase charging. That is important because the speed of charging for those who have off-street parking is very material to the take-up of electric vehicles. That speed will be materially improved if free-phase charging is available.

My point is very simple. This is an excellent Bill as it does some very necessary things. It is not the whole answer to life, or even to automated electric vehicles, but it was never meant to be. However, there are deficiencies in the way that it is drafted that will need to be cured in Committee if it is to achieve the two main purposes that it sets out to achieve.

Sir Hugo Swire: Let me elaborate further on the point about charging versus non-charging. On domestic charging, the whole point with an electric car is that a person can feed back some of the electricity into a meter overnight and make some money. What happens if they have parked off-street and plugged their car into a meter? If they want to feed back some of their charge overnight, will there be a way of gaining compensation financially?

Sir Oliver Letwin: It absolutely needs to be so and clause 12 has actually been correctly drafted in that respect. The provisions for smart charge points precisely allow the Secretary of State to ensure that there is interactive charging, which is evidently exactly what we need on our streets so that the electric cars of Britain become a massive battery resource. That will squish the shape of the load curve, so there will be longer periods during which renewable and nuclear resources will produce unlimited quantities of energy at a zero marginal cost without having to build the large amounts of back-up that would otherwise be required to deal with the peak. That is because one hopes that the peak will increasingly be dealt with by the battery resource of the nation's cars when they are not being used. We will only get that effect if all the cars that are plugged in are plugged into smart points that can receive, as well as transmit, electricity. Of course, that also requires a design of vehicle that enables the on-board computer to respond to the price signals coming through the grid. It also requires half-hourly settlement of the grid, which is, in fact, already being introduced. We have made a good deal of progress

towards the aim that my right hon. Friend rightly advocates. In that respect, the Bill will enable us to press the progress much further, but it will only do so if it relates to on-street car parking made possible through the utilities that can do this on a universal basis, and those measures are urgently needed.

8.1 pm

Clive Efford (Eltham) (Lab): I welcome the Bill. I will concentrate my remarks on the issues surrounding automated vehicles, but I support all the points that have been made about electric vehicles, particularly those regarding compatibility and infrastructure. We do not want people to be inconvenienced by different connectors and things like that. That is an obvious point to make, but one that has been overlooked in the past and that was well made today. Clearly, it is a technology for which the time has come. The batteries have a longer life and the vehicles can now travel further as a consequence. The environmental benefits are obvious and the cost of the vehicles is starting to come down, making them much more accessible, so I very much support that element of the Bill.

One of the impact assessments that accompanies the Bill refers to “connected and automated” vehicles, but the Bill is silent on connected vehicles, and I wonder why. Maybe the Minister will touch on that. Perhaps I am being too much of a conspiracy theorist, but the topic of “connected and automated” vehicles opens up a whole different range of issues from the straightforward automated vehicles as I understand it. The Minister will correct me if that is not the case. The issue that concerns me is that the software has to make a whole load of decisions when it is operating or driving the vehicle. We have heard from the Minister, and it is accepted, that somewhere between 90% to 95% of vehicle accidents occur due to human error. What happens if a vehicle is under the control of the software and has an accident with a vehicle being driven by a human or with a pedestrian, and the technology is then checked and is found to have been in perfect operating order? Is it the case that the human is assumed to be at fault? We need an answer to that question because it will have an enormous impact on how insurance companies approach decisions about who is at fault and who should get a payout.

Sir Hugo Swire: Will the hon. Gentleman give way?

Clive Efford: I will not, if the right hon. Gentleman does not mind. I am trying to make a little bit of progress, but I may give way in a while.

The Minister said that he has visited the site in Greenwich that is testing automated vehicles. I was not there, but I heard of an incident where somebody threw a chair in front of the automated vehicle and the vehicle smashed into the chair. That raises the question of what would happen if a child ran into the road. Now, the accident with the chair may have happened even if the vehicle had been driven by a human. The chair may have flown out in front of the car far too late for the car physically to be able to stop, whether driven by a machine or by a human being. But let us imagine an incident where there is an automated vehicle on the road that is capable of making a decision about how to evade an accident.

If a child suddenly ran out in front of the vehicle, the software would be trying, in a split second, to make a decision about the safest evasive action, if any, to take in order to avoid running the child over. We are then immediately in the situation where a machine—a piece of computer software—is making a moral judgment. If we are to open ourselves up to the situation whereby connected and automated vehicles have to make such judgments when incidents or accidents are about to happen, we legislators have to be aware that such eventualities will come around. We must try, as much as possible, to be ahead of the technology, because one thing is becoming quite clear in the debate around emerging technologies: the huge companies are getting ahead of the regulators and legislators, and driving the barriers backwards.

Take, for instance, the recent situation with Uber in London, where the Mayor of London had to step in and take action. There are other examples of technology driving regulators to distraction and forcing us to catch up, such as Airbnb. In some cities, rents have been driven up because of the sudden availability of businesses and people hiring out their properties. Legislation has consequences and so does this Bill.

Automated planes fly on a daily basis; most of the flights that we all take are fully automated. The part of the flight that is controlled by a pilot only lasts for a few minutes. Many people do not appreciate the fact that most of their flight is now controlled by a computer. We are only a fraction away from technology whereby a plane could be flown without a pilot at all. If there were an incident and the plane had to be taken over by someone who is capable of flying it, that could be done from an air traffic control centre. We do not have to have the pilot on board. That technology exists, but the air industry is not imposing that upon us by removing pilots from aeroplanes because public opinion is so much against the idea of fully automated flights.

Sir Hugo Swire: But is not that exactly the same in other areas of the industry, such as driverless trains?

Clive Efford: Yes, but driverless trains drive on a dedicated track. My point is that such technology is not being implemented in an area where the possibilities already exist—pilotless planes. Yet we are prepared to roll out that technology on our streets and our roads, where quite a complex range of incidents could occur and where vehicles being driven by software will come into contact with humans. I accept that the technology is here. We will have to accept that there will be demand for these types of vehicles, not least driven by the huge companies such as Uber, which already has driverless cabs on the streets of Pittsburgh. We are seeing technology driven forward by these large companies, but we as legislators have to start looking at some of the issues that arise around the moral questions that may have to be answered by machines.

Vicky Ford: On the point about safety, nine out of 10 accidents today are caused by human error—often because the two drivers miscommunicate with each other. Does the hon. Gentleman not agree that one advantage of automated vehicles is that they can communicate with each other, thus avoiding accidents and making the world a safer place?

Clive Efford: Yes, where the situation involves two vehicles, but they are not the only things on our roads, and they are not the only things a car or other vehicle can come into contact with. I accept the hon. Lady's point that this technology can improve safety. We have heard a lot tonight about how we even expect premiums to come down. I think we have more chance of finding hen's teeth, but the fact is that one of the expectations is that there will be fewer accidents, that fewer payments will need to be made, and, therefore, that that will be passed on to the consumer. I hope that is the case, but there is, none the less, a moral issue. Two vehicles may be about to collide—accidents will happen, and even the most ardent supporters of this technology accept that—but the question I am raising is about the software, which has been programmed by a human, as we have heard, making a moral judgment about the safest course of action to avoid the accident. Which path will cause the least injury and damage? That could involve the software making a decision about which individual gets hit—about whether to veer into the oncoming traffic or on to the pavement, or whether just to go straight on and collide with the other vehicle.

There is no question but that these situations will come about. I would therefore like the Secretary of State to have to list in clause 1 the types of technology that can be attached to these vehicles, so that we have some idea of where we are actually going and some control over that. This general reference to an automated vehicle does not allow us to consider the situation where this technology is placed on our roads and where moral judgments are made by a piece of software. We as legislators have to pay great attention to that.

I do not want to see the door opened wide to this technology by default as a result of this Bill. As the barriers are pushed back by this sort of technology, I would like the moral questions that are raised about machines making these decisions to come back to us, so that we can judge whether we are going in the right direction and whether that is where we want to go. I am not arguing against the technology, or arguing that it should never be applied. I am not suggesting for a minute that we should hold it back or deny the opportunities for our economy that developing such technology will open up. However, it is unavoidable that there are moral questions for us as legislators to answer about where we are going with this legislation and this technology, and I hope the Government are listening.

8.13 pm

Iain Stewart (Milton Keynes South) (Con): It is a great pleasure to be called to speak in this important Bill debate. May I, for completeness, first declare an interest, in that I chair the all-party parliamentary group on the future of transport, which has its secretariat funded by the Transport Systems Catapult? I also chair the all-party parliamentary group on smart cities, which has a range of public and private bodies funding its secretariat.

I had the great pleasure of serving on the Committee that considered the Vehicle Technology and Aviation Bill in the last Parliament. The hon. Member for Kilmarnock and Loudoun (Alan Brown) said that today's Bill was a case of *déjà vu*. Perhaps the correct phrase is that it is a system upgrade to the previous Bill. This is a better Bill, because, as has been mentioned, a number of

the genuine concerns that were expressed previously by Members on both sides of the House have been reflected in this Bill's clauses. I should add that that Committee was a perfect example of how Bill Committees should work. We had a very cordial and courteous exchange of views; genuine concerns were raised, and they have, as I said, been taken on board.

I remain very supportive of the objectives in both parts of the Bill. As has been said, it is important that we in this country are ahead of the game. It is forecast that the intelligent mobility market will be worth £900 billion globally by 2025, and we have to make sure that our industry and our system of regulation are as up to date as possible to make sure we get a good share of that market.

I think the Government have taken the right approach. It is not possible for us today to predict the precise technology that will be innovated. I take a different approach from that just outlined by the hon. Member for Eltham (Clive Efford). I do not think we can prescribe too much at this stage. The legislation has to be enabling and then further qualified by secondary legislation at the appropriate time.

The potential advantages of autonomous and electric vehicles are huge. I will not detain the House by repeating the ones that have already been mentioned, but these vehicles will make transport more accessible to people with disabilities and people who are elderly or who do not have the means to afford a private car. That is a very important social objective.

Jim Shannon (Strangford) (DUP): Surely three things must be tackled by the manufacturing sector: the performance of electric cars, their price and the commercial relationship with the Government that will allow us to provide the charging points. If we do not have those three things in place, we do not have electric cars or a way forward.

Iain Stewart: I agree with the hon. Gentleman. As I will expand on in my speech, the Bill provides a way for those things to happen. If he will bear with me, I will touch on those points later.

The other advantages, of course, are to do with the environment and making better and more efficient use of the limited resources we have. It is no mistake that the United Nations has as one of its top priorities dealing with the increasing urbanisation of the world, and the human race is going to have to find better ways of moving people and goods around to make that development sustainable.

In that regard, I should mention that my constituency is at the forefront of a lot of the innovation involved in this technology. We were today recognised in the UK Smart Cities Index 2017 as one of the top cities in the country.

Before I move on to the detail of the Bill, I should say that we had mention earlier of the importance of matching skills to this new technology. I very much welcome the Minister's willingness to have a constructive dialogue in Committee, and more broadly with other Departments, to look at this issue. As a starting point, the Transport Systems Catapult recently published its "Intelligent Mobility Skills Strategy", which identified that, by 2025, we will have a 750,000-job gap in skills, and there is an urgent need to address that point.

In my Second Reading speech and in Committee on the previous Bill, I raised several concerns, which were addressed to my satisfaction by the Minister. In my comments today, I just wish to get reaffirmation on those points and to raise a few additional concerns.

Clause 1 provides for the Minister to provide a list of vehicles deemed to have autonomous capability. I just ask a simple question: when this list is compiled and then updated, will it include the freight sector and the public transport sector, or are we simply looking at what are deemed motor cars today? It would be helpful to have that clarification.

As regards clause 2, we had extensive debates on the previous Bill about what would, to use an umbrella term, be classified as driver-assistance technology—lane guidance, cruise control and reverse parking guidance—and what constitutes a wholly autonomous vehicle. The Minister was very clear in Committee that driver-assisted technology is not the point of this Bill. When we have these gadgets in cars—there will be ever more as we go forward—they are there to assist the driver. They do not replace the driver, so the driver remains absolutely in control.

Sir Hugo Swire: Did the Committee look at the issue of the driver passing some kind of driving test? Is it envisaged that the whole Highway Code system will change? Will somebody getting a licence to drive an autonomous or a semi-autonomous vehicle have to sit a completely different test, and if so, when will it be phased in?

Iain Stewart: I am afraid that my memory is not as complete as it might be. I cannot recall whether that was discussed; I do not think it was. However, my right hon. Friend raises a very fair point, and I hope that it will be considered in Committee.

As regards the distinction between a wholly autonomous car where there are no driver controls whatsoever and driver-assist, there will be cases in the middle where the car has a dual function, with blurring as to when the technology is applied. I would still like Ministers to provide greater clarification for drivers and the industry on the point at which the transition occurs. We have heard talk about having road trains in future where a car may be driven under control up to a certain point and will then form part of a convoy on the motorway. There needs to be greater clarity, for the public in particular, about the point at which the changeover happens.

Andy McDonald (Middlesbrough) (Lab): I am very interested in the hon. Gentleman's comments. If we have totally automated vehicles end to end, and the whole purpose is to liberate people who would not otherwise be able to drive, is it not completely logical that they would not be subjected to any test whatsoever in the conduct of that vehicle?

Iain Stewart: Indeed. The shadow Secretary of State makes a perfectly fair point. We cannot predict what all these vehicles will be like. Some may have dual function, and we should prepare for that eventuality.

Clause 4 touches on where the liability lies if the software has been tampered with in some way. That could happen accidentally if the car was being repaired and an engineer did not upgrade or put the thing back

together properly, or it could be deliberate. We have already had cases of cyber-attacks on autonomous and connected vehicles. We had reassurance in Committee previously that in the absence of further regulations, the current system would apply, and ultimately the Motor Insurers Bureau's uninsured scheme would come into force. Does it remain the insurer of last resort? Sadly, given the huge number of scams we currently see in the insurance market with arranged accidents and so on, malevolent people will devise new ways of trying to scam how autonomous vehicles are insured. I urge the Minister to work with industry to make sure that we future-proof the systems and the regulations as much as possible to make sure that we can deal with these scams effectively as they arise.

Another point in clause 4 that still causes me some concern is subsection (1)(b), which refers to

“a failure to install safety-critical software updates that the insured person knows, or ought reasonably to know, are safety-critical.”

If there is such a failure, the insurer's liability is diminished. I would like some further clarification as to what

“or ought reasonably to know”

actually means. At what point does the individual become liable for making sure that the software is upgraded? I am awaiting goodness knows how many updates for my iPhone; I am fearful of installing them because it will mess up my contacts list and everything else in it. That does not matter, because it is my phone and my choice, but if I am getting into a vehicle that is controlled by software, what is the point of liability at which I need to upgrade it? Will the upgrades have a limiting capability such that if it is not upgraded, the vehicle will not work? If so, where would that be specified? Subject to clarification on the points I have raised, I broadly welcome the general approach to insurance, as it will allow the industry to develop a variety of appropriate products. The market will change, and we need to give the industry the flexibility to develop.

With regard to part 2, on electric vehicles, again I welcome the general approach taken in the Bill. We cannot predict future technology, and it is therefore difficult to be specific, but equally we need to give industry and consumers confidence regarding concerns over range anxiety. Will charging points be harmonised? Will they work? Will there be enough of them at motorway services? Will there be sufficient time to recharge? All these points need to be dealt with to give consumers and industry some clarification.

We are seeing an increasing take-up of ULEV vehicles, particularly electric-only models. There have been developments with Volvo and others saying that all their new cars will be electric or hybrid in the very near future. However, there are a couple of broader concerns that are not entirely within the jurisdiction of the Department for Transport, but the Department needs to be in the lead in discussions with other Departments. First, there is the cost to Government in terms of lost revenue from fuel duty, and potentially from parking charges that local authorities levy on motor vehicles but are free for electric vehicles. One estimate is that if the Government do not make any changes, they will lose £170 billion in revenue by 2030 as people increasingly shift to electric vehicles. What does that mean for how we charge for our vehicles? I appreciate that that is a much broader issue that goes beyond this Bill, but it will have to be addressed at some point.

[Iain Stewart]

We also need to look at how we are going to power these cars. Atkins, drawing on a report by the Energy Technologies Institute, recently said that we need to understand when and where people will want to charge their cars. At the moment, it is likely to be in the early evening, particularly Sunday evenings as people have more leisure time then. That is forecast to add 10 GW of demand to the grid—a 20% increase at a time when it may be at its least resilient. How are we going to address that? I suspect that it will largely come down to the battery technology outlined by my right hon. Friend the Member for West Dorset (Sir Oliver Letwin).

As others have said, 30% of UK residents do not currently have off-street parking, living in flats, terraced houses and other places where it is not easy to just put a plug out of the window and attach it to the car. That will have to be addressed in our planning systems as we move forward.

We had a very good Bill prior to the election, and this Bill has been improved. It addresses many of the concerns that were raised. I have raised a few more tonight, and I very much hope that they will be picked up in Committee. We have to get it right. This is an important Bill and it has my full support.

8.28 pm

Christine Jardine (Edinburgh West) (LD): Thank you, Madam Deputy Speaker, for calling me to speak in this debate, which is perhaps deceptively important to our future wellbeing as a nation. The Bill is about so much more than a driving experience. It could be a radical departure in travel, transport and low carbon fuels.

Although the Liberal Democrats are happy to support the Bill's stated aim of enabling consumers in the UK to be among the first to reap the rewards of improved technology and setting a regulatory framework for the next wave of improved technology, our support is not unreserved. No, we have serious reservations about the approach—it is not the widespread approach that is needed to maximise the benefits and effectively control these new technologies—and about issues that have already been mentioned, such as moral judgments by computers, insurance and vehicle excise.

On the plus side, my party is committed to encouraging the swift spread and accessibility of electric vehicles to reduce emissions, so we welcome the proposed creation of universal charging points. Similarly, air pollution in the UK is already a killer, and we have heard that it claims about 40,000 lives a year. In my constituency, the pollution levels in St John's Road, which is the most polluted stretch of roadway in Scotland, are a genuine cause for concern. The Government's stated support for low carbon transport is welcome, and it is vital if we are to meet our commitment to reducing greenhouse gases by 80% by 2050.

The Liberal Democrats' commitment to the development of automated vehicles was clear from the coalition's £10 million investment in programmes and research. We believe that such vehicles will reduce accidents and enable more elderly and disabled people to use the roads. This Bill does not go far enough, however. There are several areas in which it falls short of the sort of far-reaching and visionary approach needed to secure

an all-encompassing and successful move to greener transport, which protects our health now and protects the environment for future generations.

If the Government are truly serious about creating game-changing legislation, I believe that they should look to the sorts of measures that the Liberal Democrats have committed to, such as a green transport Act and an air quality plan. We need a diesel salvage scheme and a ban on small diesel cars and vans. We want the introduction of ultra low or zero emission private hire vehicles and buses within five years. We need low or zero emission zones and reformed vehicle excise.

We need to look at more accessible charging points, the importance of which must not be underestimated. As the right hon. Member for West Dorset (Sir Oliver Letwin) mentioned, if electric vehicles are to become sufficiently popular that they reach a critical mass of usage, there must be charging points at which it is convenient to leave vehicles safely for hours. That means residential facilities and workplace charging facilities. Facilities at petrol stations and motorway services, as the Government propose, are all well and good, but those at homes and workplaces are more useful. Councils should perhaps have powers to require that new commercial and industrial developments provide electric charging points. We need a pilot scheme to look, for example, at the use of lamp posts in residential areas where there are no driveways—in areas containing flats and terraced housing, as has been mentioned.

The Minister has said that he is happy to have discussions, but those discussions and the consultation that he mentioned must be effective. If the roll-out of electric vehicles is to be truly effective at reducing emissions, the energy that they use must be clean. There is absolutely no point in every single one of us driving about in a clean vehicle if the electricity that those vehicles use is generated using old-fashioned dirty power stations. That is critical. We need an expansion of the renewable energy sector and the restoration of subsidies for solar power and onshore wind. Electric vehicles must not be the sole focus. The hydrogen fuel cell sector has much to offer and should not be ignored.

The Bill also looks at driverless vehicles. Their development, although highly desirable, will demand significant changes to insurance and road traffic laws, as we have heard from other speakers. The Government have not, in our opinion, given sufficient attention to these issues; indeed, we are now presented with a Bill that is narrower than was originally envisaged. Where, for example, is the regulation of the use of drones and laser pens, which can be so dangerous to landing aircraft? Much of the Bill is admirable, but, sadly, it lacks the vision of the legislation that was originally promised. Where is the overarching strategy in which electric and driverless cars are part of a societal change in vehicle use, road safety and carbon emissions?

Surely, none of us in this place can doubt the value and desirability of encouraging the take-up of new, greener and safer vehicle and transport technology. The underlying principles of the Bill are sound, but we should also be thinking about cleaner air, greener transport and renewable energy. They are our future, and we should approach them not in a guarded, half-hearted or compromising way, but with real ambition and an adventurous spirit. We should see ourselves as pioneers of a better, cleaner society.

8.34 pm

Amanda Milling (Cannock Chase) (Con): I am grateful to you, Madam Deputy Speaker, for the opportunity to speak. I want to put on the record that I welcome the Bill. I will focus my contribution on clauses 8 to 15, the electric vehicles part of the proposed legislation. I want to make a couple of points based partly on my experience of market research on new and developing technologies and those in their infancy, as well as some of the difficulties we face in that area, and partly on points made by my constituents, because Cannock Chase was previously a bit of a blackspot when it came to public charging points.

One of the reasons for welcoming the Bill is that it will address some of the barriers to adopting electric vehicles. Overcoming those barriers will be key to meeting the targets on take-up, carbon emissions and air quality. To meet those targets we need a step change to get a breakthrough into the mass market. I have mentioned my experience of researching new technologies. My hon. Friend the Member for Milton Keynes South (Iain Stewart) quite rightly made the point that it is very difficult to predict the take-up of new and emerging technologies. I remember researching issues such as broadband, contactless cards and mobile banking, and I can tell hon. Members that before those products came to market, people just could not get their heads around them and they did not always go down terribly well. The barriers people put up involved price, simple fears of the unknown, security issues, the status quo kicking in—just being much happier sticking with what they already knew—and not necessarily having a clear view of the benefits.

I could go on at length, but I will come back to electric vehicles because, fundamentally, the learning point was the need to address such issues and barriers, and the fact that engaging the public was about ensuring that there was awareness, and that consumers really understood the new technology and could see its benefits. Why is this relevant to electric vehicles? The answer is that there are barriers stopping consumers and the public buying these vehicles in the first instance, and there is frustration among those who already own one. I welcome the idea that we are looking to improve the consumer experience and expand the electric vehicle infrastructure, because that will go some way to addressing those barriers. It is important to ensure that we address the fears and concerns of those who do not already own such a vehicle, and some of the fair frustrations of existing owners.

I want to turn my attention to the points made by one of my constituents, Mark Clemence. He has raised this issue with me on numerous occasions, and when I knew last week that the Bill was coming to the House, I sought more feedback from him and asked him to elaborate. I am very grateful to Mr Clemence. Unfortunately, I do not have enough time to go through all the detail. He provided a lot of detail, which has been very helpful because I do not, unfortunately, own an electric car and do not know about the issues some consumers face. It is important that the Bill should address the pull factors in the market, rather than the push factors for adopting electric cars. Mr Clemence says:

“I suppose my 3 sound bite message is...make it easy to own and run an EV”—

electric vehicle—

“keep the cost of commercial public charges reasonable...and encourage local authorities to install charge points in the car parks.”

He goes on:

“We are all happy to pay for electricity but if the cost per mile reaches that of a petrol car, then there will be no incentive to change to electric vehicles.”

Those points align incredibly neatly with the Bill.

Other constituents have spoken and written to me about these issues. There are concerns about the accessibility of public charging points, as many Members have said. There is a fear among consumers who do not have an electric vehicle—perhaps it is even a fear among some who do—that they would run out of power. I have learned this evening that that is called “range anxiety”.

Given that Cannock Chase has been a black spot in terms of public charging points and that Staffordshire has been at best patchy, one can understand why my constituents have not been at the forefront of adopting electric cars. However, I was pleased to learn that Chargemaster recently installed a rapid public charger in Bridgtown and that there are new Pod Point charge points in Hednesford car park, although there are potential issues with those charging points. We need to ensure that all places are well served by charging points. I believe that Milton Keynes is well served, in contrast to Staffordshire.

We need to look at where the public want to charge their cars and align the charging points to the location. I am concerned about the points in Hednesford because Mr Clemence tells me that it would take him 10 hours to charge his car in that car park, whereas a rapid charger gives him 95% of the power in 35 minutes. I am not sure that he plans to spend 10 hours in the car park in Hednesford.

Another constituent has raised the issue of public charging points at motorway service stations and large fuel retailers. I am pleased to see that covered in the Bill. They also suggest that we need to ensure that charging points are included in planning for new fuel stations, one of which we have in Cannock Chase.

Mr Clemence raised the issue of cost and the sheer complexity of it because there are so many variables, such as the unit price, the price per kilowatt-hour, the subscription fees—I could go on, but I think everyone would rather I did not. Another issue is the consistency with which pricing information is provided.

At the moment, it seems that the user experience is rather clunky. I return to Mr Clemence—he really did give me lots of information. He has two apps and three RFID—radio frequency identification—cards for different suppliers. He suggests that it would be much easier to have a more universal system. It strikes me that it is a bit like the days when there were lots of different cash machines and people could not use the entire network. I hope that the Bill will resolve some of those issues.

I welcome the Bill. It addresses many of the issues the public have raised. There is also work for the market to do. By making these moves, we should be able to overcome some of the issues in public awareness and public confidence in electric vehicles, such as range anxiety. The more points we see around the country in more locations, the more confident people will be that they will be able to charge their car.

[Amanda Milling]

Finally, I believe that having a universal signpost or branded icon to signify a location where people can charge their electric vehicle will raise public awareness of the points and make consumers more comfortable that there are different locations where they can charge their car.

In short, I welcome the Bill and hope that these measures and developments, as well as work on the part of the industry, will ensure that there is a breakthrough in the adoption of electric cars.

8.44 pm

Darren Jones (Bristol North West) (Lab): I draw the attention of the House to my entry in the Register of Members' Financial Interests.

I welcome the Bill and the Government's decision to end the sale of petrol and diesel vehicles by 2030, but it is clear that that aim will be successful only when consumers can afford electric vehicles and when charging infrastructure is readily available.

On affordability, I ask the Government to pay close attention to the current work of the Financial Conduct Authority in reviewing the consumer compliance of debt financing agreements for consumers in the car industry, where many do not know the terms on which they sign up for such things as personal contract payments, and are unclear as to the consequences and costs at the end of the term of that loan. There is no doubt that with the increase in the uptake of electric vehicles, this part of the car market should be watched closely.

On charging infrastructure, in my constituency, as many hon. Members have said about their own, I have only three public electrical vehicle charging points for 40,000 homes and a large industrial estate. I clearly think there should be more, but it is not just about charging points and vehicles. I hope the Government have a proper plan to ensure that both the energy and communications infrastructure is fit for purpose, with upgrades to our Victorian-age grid; new technologies for storage and distribution of power, including local generation, storage and distribution; and a communications infrastructure that can deal with the enormous amounts of data created by increasingly intelligent vehicles, safe from the threat of cyber-security.

As ever, Bristol is leading the way. I welcome recent investment in the Institute for Advanced Automotive Propulsion Systems at the Bristol and Bath Science Park, and further funding into further pilots for autonomous vehicles in Bristol. Bristol has a strong environmental record, most recently as European green capital, yet we still struggle with our air pollution targets, so I and my constituents welcome the adoption of clean vehicles powered by clean renewable energy to ensure we can meet those aims.

May I somewhat audaciously suggest, Madam Deputy Speaker, that the debate has focused on the mundane obviousness and is missing the bigger picture? We need to take the opportunity to look up from our papers. This is the first Bill in this Parliament that paves the way for the technological reform of our economy; the start of a journey towards robots being a normal part of our daily lives, raising enormous ethical questions and posing serious challenges to the Government on their role in

steering Britain through this globalised technological transformation. Just to touch on one point, Government Members have raised questions about the use of personal data in electric vehicles, yet the European framework, the general data protection regulation, which will set the framework for this processing in our country, is currently not set for debate in this House, being adopted with deemed consent under a statutory instrument and the European Union (Withdrawal) Bill. In fact, the Data Protection Bill will not allow us to debate the substance of the GDPR.

As it stands, it appears to me that the so-called fourth industrial revolution is happening to us, and not because of our leadership. In his opening remarks, the Minister quoted Disraeli, saying that our future is in our hands, and it is to that point that I wish to direct my remarks today. Given the apparent lack of parliamentary time to do anything complicated, or indeed contentious, we should be looking at what is not in the Bill and what should be. The Bill is purely technical: it will legislate for insurance policies and car-sized plug sockets. Important as those may be, it is yet another example of a Government failing to lead on the big issues. We must set the tone of what is and is not acceptable in this new digital age, ensuring adequate protections from cyber-risk and potential consumer harm from self-learning algorithms. Those debates must be had in this place and we are missing the opportunity to do so.

Where in the Bill do the Government set out how they will prevent the mass unemployment associated with driverless vehicles? According to the House of Commons Library, nearly 1 million are employed as drivers today: taxi drivers, bus drivers, truck drivers and driving instructors. It is clear that automated vehicles will be deployed in the easiest of options first, but no one is suggesting that they will not roll out to every aspect of our daily lives. In Bristol North West, I have significant distribution centres: Asda, Ocado, Morrisons, United Parcel Service and all the activity in the Bristol Port, to name but a few. What will happen to those jobs when suddenly vehicles drive themselves, shopping baskets pack themselves, or drones deliver our parcels? Where is the active industrial strategy that invests in new markets and jobs to help redundant workers find new work? I welcomed the intervention from the hon. Member for Tonbridge and Malling (Tom Tugendhat) recognising that China—no doubt a champion of state-backed industrial strategies—was now leading the way in developing these technologies, and I note that we are still waiting for the industrial strategy White Paper from the Government.

Where is the digital skills agenda that many have talked about this evening—for the younger people who will manufacture, produce and maintain these vehicles and for the older people who will need to retrain for new work? We have had statements from the Government week after week about job losses. In my view, these have been largely driven by this disastrous Tory Brexit, but although Brexit is the biggest threat to our country in peacetime, it is none the less a short to medium-term risk. I would rather it was not happening, but either way what will Britain look like after this period of ridiculous self-harm? The Bill could be part of that vision. It could start the debate, it could set the tone, but it fails on every test.

The Government rightly see the adoption of robotics, continuous connectivity and the cloud as a means to finally unblocking economic productivity problems. Autonomous vehicles are part of that solution. I am all for that. I am pro-business and pro-technological reform, at home, in the private sector and especially in the public sector, but the Government are silent on these vital strategic concerns, and we have no space to debate the negative consequences of these advancements. The jobs of thousands of my constituents are potentially at risk, yet we are not debating that today. We must be on the right side of the fourth industrial revolution. If we go head first, first towards automation, then towards artificial intelligence, we risk once again being on the wrong side of an industrial revolution. It is incumbent on us to debate these issues now, therefore, not after millions of people lose their jobs.

To reiterate, I welcome the Bill, but I am disappointed by the missed opportunities it presents, and I call on the Government to take this opportunity to put forward their vision for a modern, connected, digitally transformed Britain that also focuses on workers and the lives of my constituents. If they fail to do so, the Opposition will happily step in.

8.51 pm

Lee Rowley (North East Derbyshire) (Con): I am grateful for the opportunity to contribute to this debate. As many have outlined, the Bill has two parts, and, in the hope of brevity, I will contribute only on the automation side.

I welcome the Bill and its limited nature, which has been debated at length for the past few hours. We have a decision to make as a country. Automation is coming. The decision is whether we allow it to happen with us or to us. This has been a very constructive debate—I particularly welcomed the comments from the hon. Member for Kingston upon Hull East (Karl Turner), who speaks for the Opposition—but I worry that some of the contributions tended towards trying to solve problems that we might not fully understand at this stage in the development of automation, when legislation is not always the immediate answer. One would naturally expect me, as a Conservative, to work from the basic principle that we should legislate and regulate only where necessary, rather than always trying to create a framework that aims to solve every problem that might arise. That is essentially my point today.

The hon. Member for Bristol North West (Darren Jones) and I were on a panel together in the summer, away from this place, when we debated this extensively. Although he has made many important points that definitely need to be debated within and without this place, I think there is a clear and consistent argument for limiting the activities in the Bill and how we regulate automation in order to allow people to innovate. Before he spoke, I was going to say I welcomed the fact that no one had used the B word in this debate, but obviously he referred to it. As important as Brexit is, and as important as it is to my constituents that it is delivered, there is a danger within the political discourse in this country that we are losing the capability and bandwidth to talk about much bigger and equally as existential issues, such as this one. Brexit will influence us for the next 18 months and beyond, but the likes of driverless vehicles and automated vehicle technology have the potential to

influence our society for 18 years, or 36 years, or 54 years. We have been allocated time to talk about this issue, but the wider political discussion tends to be incredibly breathless about Brexit and, perhaps, to reduce the amount of time that we have to discuss such issues. So, in order to avoid falling into the trap that I have suggested others have fallen into, I will move on from Brexit immediately.

I welcome the Government's approach to a rolling regulatory reform. While I entirely understand why Opposition Members such as the hon. Members for Eltham (Clive Efford) and for Edinburgh West (Christine Jardine)—neither is present now—outlined the need for a vision and an expansive understanding of this issue, we are at an early stage in the development of automated vehicles, and regulation should accord with that. We must accept that we are currently seeking to guide a nascent industry from some very small-scale trials in semi-pedestrianised areas, often involving speed limits of just a few miles an hour, into a more large-scale set of trials. It is important for regulation to move, although not necessarily to expand in every area, but that needs to be done in a measured and controlled way.

We will arrive at the stage of early adoption relatively soon, and I think it appropriate to think about regulation again in the future. If the technology is successful, it will hopefully be adopted on a large scale, and will subsequently become the majority. Eventually, we will be dealing with the long tail with which we must always deal when deciding how to ensure that the adoption of technology is ubiquitous. The regulation at each of those stages will necessarily differ, and we should not seek to complicate the current position by trying to answer all the questions that are being asked now about developments that may not take place for a number of years. I welcome what the Government are doing in that connection.

I am pleased that the Government are doing some tidying up, and ensuring that the insurance framework around automated vehicles is appropriate. Clause 2, for instance, will ensure that there is clarity about what happens in the insurance market when the machine, rather than the driver, is in control of a vehicle. I also welcome clause 4, which makes some clear statements about the difference between product liability and the continuation of pooled insurance.

There may be a case—which we can debate both here and elsewhere—for saying that the point about pooled insurance versus product liability will be appropriate in the future, but product manufacturer liability will be appropriate only when nearly all drivers are in automated vehicles. Until that point, we must ensure that the framework is appropriate, which is why a pooled insurance system is itself appropriate. There will never be a silver bullet—there will never be a way in which to resolve all the conceptual and philosophical discussions about how pooled insurance can be applied to this kind of market, particularly in a transitional form—but I think that what the Government are trying to do here is very welcome.

Many Members have mentioned our wish to become a world leader in technology of this kind, and I support what they have said. The hon. Member for Kilmarnock and Loudoun (Alan Brown) spoke of the importance of putting money behind activities such as this, and I agree with him to an extent, but I also think it important to establish the right regulatory framework. Places like

[Lee Rowley]

Silicon Valley are streets ahead of many parts of the world when it comes to automated vehicle technology, but it should be noted that only a handful of American states have taken up the opportunities that it has provided. We heard earlier about companies in China, such as Geely and Baidu, which are proceeding apace with automatic technology, and about Chinese-owned companies such as Volvo, which is doing the same on our own continent, but the country has a real opportunity, as an early adopter, to provide the frameworks that will allow such companies to innovate and thrive. That is why we should be careful about the regulatory framework, as the Government are being here.

I wish to make one final point, on which I concur with the hon. Member for Bristol North West. Discussions on these kinds of issues prompt important existential questions around how we as a society should adopt such technologies in the future. Change comes in three parts: technological change, regulatory and legal change, and cultural change. The technological change is coming forward, which is why we are talking about it tonight. We are also talking about the regulatory and legal framework that will be necessary, but cultural change is the responsibility not just of Members of this House, as it must be debated by wider society, and it will take many years to come forward.

We have talked about safety. As a politician, I am interested in polls, and a YouGov poll of a few months ago found that approximately 50% of drivers do not think driverless technology is safe at this point, and only 33% said they do think it is safe. We should beware of just one poll, as we have all learned in this place over the past year or so, but that poll is important in that it highlights that many people are unconvinced by this technology. However, if we do not take the opportunities that it presents, which have been outlined in the debate, we will be doing a disservice to the country.

I also accept the points of the hon. Members for Bristol North West and for Ellesmere Port and Neston (Justin Madders), who is no longer in his place, about the disruption and dislocation this technology might bring in the very long term, but we must not get too far ahead ourselves.

I am now perhaps addressing far too existential questions for 9 o'clock on a Monday evening in this place. However, I welcome what the Government are doing here, and the deliberately limited nature of the Bill. I also welcome the opportunity to ask the wider questions it opens for society, which is why I am happy to support the Bill this evening.

9.2 pm

Matt Western (Warwick and Leamington) (Lab): I refer to my entry in the Register of Members' Financial Interests.

I welcome the Bill, although it is clearly much reduced from what was originally put forward. It is interesting how so much of our discussion has been around cars as vehicles, as opposed to vehicles more generally, and I draw attention in particular to electric bikes, scooters, taxis—which have been mentioned—vans and lorries, and in particular buses, which I will refer to again later.

I also welcome initiatives such as the Faraday challenge, which is a terrific example of how Government can work with academia and businesses to bring about change and revolution in a particular sector. That stimulus is crucial for major step changes such as electric vehicle technology and autonomous vehicles. A good example of that has been at Warwick Manufacturing Group, which although not in my constituency employs a good many of my constituents. It is very much at the cutting edge of the development of battery and fuel cell technology, working with many other universities across the country and vehicle manufacturers from the UK and around the world.

It is critical that we gain leadership in this sector. We need a competitive advantage over the likes of China, South Korea and Japan, which are very much the established dominant players in battery and fuel cell technology. To that end, we urgently need to establish a battery prototype centre that is able to adapt to the rapid change in this technology; as we see in other sectors, change can be so rapid that it is easy to be caught out by technological development. I hope that such a centre might be located at the heart of the automotive industry, which is very much in my constituency of Warwick and Leamington, and in Coventry and Warwickshire. They are at the heart of the development of connected vehicles. That would be a very welcome move indeed, and I look forward to an announcement on that matter.

The ambition has to be matched by our legislative will as policymakers, and by the acknowledgement of the need to change consumer behaviour. There has been a lot of talk about that recently by Members on the other side of the Chamber. We have to encourage people through initiatives, exemptions, fiscal measures and perhaps scrappage schemes if we are to accelerate not only that change in behaviour but investment from manufacturers and investment in infrastructure.

Several weeks ago, I was lucky enough to be invited to the Jaguar Land Rover Tech Fest event here in London, at which the company announced that every new vehicle line would have electrified versions as of 2020. That is a terrific innovation coming from such a major employer and investor in this country. Even the E-type Jaguar will be retrofitted with a battery cell, so there is something for everyone in what the company offers. We have heard about the Nissan Leaf, which has been hugely successful and a terrific economic stimulus for the north-east. We have also heard about the electric versions of the Mini that are coming through. Reference has also been made to the Polestar range from Volvo and Geely. I think I am right in saying that Geely will be the first car manufacturer with an entirely electric vehicle range.

There need to be incentives, but if we look at other countries we see perhaps a greater degree of leadership in this area than there has been here so far. I believe that more than 10% of new vehicle sales in Norway's total car market are pure electric vehicles, for example. That compares with just 2% or 3% in this country. We are really behind the curve compared with other European countries. Our ambition is to be non-petrol and non-diesel by 2040, but that will come a little too late.

Alex Sobel (Leeds North West) (Lab/Co-op): Does my hon. Friend agree that, in order to stimulate the electric car market and ensure that we can move to a

fully electric market, we will need a minimum density of electric charge points in residential and commercial areas?

Matt Western: I welcome my hon. Friend's intervention, and I certainly agree that there needs to be a minimum density. That is an area of infrastructure on which we should insist in all development in our town centres, and also in our new-build housing. It relates to local plans, and it is a critical part of the framework. The Government and local authorities should be showing leadership in this area. This is a great opportunity and we need to accelerate the uptake in electric vehicle use over the next few years.

Buses have not yet been referred to. Our buses, lorries and vans are among the dirtiest vehicles in our urban areas and there is perhaps greater urgency to get them off the roads. I was recently proud to attend the launch of the new Volvo electric bus, which is now being tested in certain areas around the country, most recently in Greater Manchester, where it was extremely well received. These sorts of vehicles will change the air quality in our town centres dramatically, and we need to encourage and accelerate their adoption.

The challenges also lie in the power grid, which can be hard to access in many areas, particularly rural areas. A further issue for the adoption of electric buses is that of interoperability and the standardisation of on-route charging sites. This is an area in which our European peers are a little bit further ahead. It is rather like the VHS/Betamax debate many years ago, which many of us will remember. We need a general acceptance of standardisation, to ensure that we have the right sort of infrastructure in place in our town centres. At the same time, we need subsidies and fiscal incentives for bus operators to adopt electric buses. Bus operators receive public money in subsidies, so I urge that this is targeted through a progressive taper to advantage electric vehicles.

As was mentioned by the hon. Member for Milton Keynes South (Iain Stewart), there has been much debate about domestic, commercial and on-street charging points—my hon. Friend the Member for Leeds North West (Alex Sobel) also referred to them a moment ago—but I want to draw greater attention to the revolution that can be had with the advent of smarter cities, where streetlight columns and other street furniture can be used for charging. That is happening elsewhere, and the supply can be two-way, to the benefit of either the user or the municipality.

In summary, I welcome the Bill, but I urge more ambition in certain areas and more caution in others. In implementing the regulatory framework and incentives to accelerate electric vehicle adoption to arrest serious air quality problems and climate change, we must be as ambitious as India, the Netherlands and others in banning new petrol and diesel vehicles by 2030—2040 is too late. In considering the merits and needs of autonomous vehicles, I urge legislative caution. Yes, the legislation must be enabling, but as we see with sat nav systems even today, the concern is about the data and the software's interpretation of it. By way of example, around the corner from where I live in my constituency is a narrow cul-de-sac called Clapham Terrace, which is regularly used erroneously by continental articulated lorries to access a local industrial estate. They must then

reverse 300 metres back down a narrow street with a school on it. Finally, will Ministers ensure that the Bill is clearer about different types of vehicles? It should include lorries, buses, motorbikes, scooters and electric bicycles. In all other respects, I welcome the intent of the Bill.

9.11 pm

Luke Graham (Ochil and South Perthshire) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this important debate. Today is the 310th anniversary of the first ever meeting of the Parliament of Great Britain, commemorating the Union of Scotland with England and Wales. I welcome the fact that the Bill applies in its entirety to Scotland and Great Britain, and I hope that Ministers and officials both here and in the devolved Administrations and local authorities across the UK work together to ensure the legislation's full implementation.

I support the Bill both in principle and in practice. In principle, I support it because the UK needs such legislation to ensure that it stays at the forefront of technological research and development. In practice, the Bill puts in place the infrastructure and framework to ensure that we carry with us the support of the various bodies and industries upon which the Bill will impact. I will start by exploring the Bill's practical measures by briefly touching on clauses 1 to 7, which cover insurer liability. That part has been covered by colleagues throughout today's debate, so I will not labour the point too much, but if we are to move towards the automated and electric vehicles of the future, as I believe we must, it is crucial to put in place the framework to ensure the safety of these vehicles and their users.

The Bill makes it compulsory for users of automated vehicles to have insurance that covers any technical failure of the technology. Given that insurance is already compulsory, it is sensible and simple to extend that requirement so that insurers are initially liable to pay compensation, which they can then recover from the liable party through existing common or product law. Crucially, the Association of British Insurers fully supports this Bill, saying that it will give the industry time to prepare for the roll-out of automated vehicles. Indeed, it calls for the legislation to be introduced as soon as possible to give everyone a clear idea of how claims involving automated vehicles will be settled.

Safety is a key concern, with many preferring to be driven by a newly qualified teenager than a machine. However, as has been recognised today, the majority—up to 90%—of accidents are actually caused by human error, which featured in 85.7% of reported collisions in 2015. By minimising the human factor through automation, we may actually help to make our roads safer. That is why it is important to put in place the right legislative framework to support the operation of the new vehicles.

The Bill paves the way for the necessary infrastructure to be put in place to encourage more people to switch to electric vehicles and hydrogen fuel cell vehicles, a transition which is essential to encourage the decarbonisation of British roads, in turn helping to improve air quality through reduced carbon emissions. As we move away from petrol and diesel cars, we must ensure that the Government and private providers have sufficient time

[*Luke Graham*]

and support to prepare for the majority of vehicles switching to electric and hydrogen fuel cells in the early 2020s. As has been mentioned, the provision of uniform and interoperable charging units is essential.

I add to the voice of other Members who have raised concerns about the accessibility of electric and hydrogen charging points in rural towns and villages across our country. As an MP representing a number of rural towns, villages and businesses, I hope the Minister and the Government commit to ensuring that infrastructure is provided in our rural towns and villages so that we have no further divergence between town and country in this nation.

In addition to the regulatory and structural enablers it provides, the Bill makes clear the UK's aspiration to continue playing a role as a world leader in automated vehicle research and development. The UK Government have committed to spending £600 million to support the growing market for ultra low emission vehicles, in addition to the £270 million announced in the 2016 autumn statement. The automated vehicle market will be worth £28 billion by 2035, and the Government are investing more than £200 million in research and testing infrastructure, helping to ensure that we remain a world leader.

Alan Brown: Given the hon. Gentleman's opening remarks about Great Britain working together, does he echo my call for an autonomous vehicle hub and autonomous vehicle testing in Scotland?

Luke Graham: I thank the hon. Gentleman for raising those points, which I was about to cover.

I hope the Minister will encourage entrepreneurs and companies from across the UK to compete for funding to ensure that the benefits are spread across the UK so that we can present and achieve a more connected kingdom.

In my constituency of Ochil and South Perthshire we propose to develop a new carbon transport and active travel hub as part of the Tay cities deal. The research and service centre will offer alternative fuel sources and encourage a modal shift by deploying and maintaining electric vehicle infrastructure. The centre will allow Perthshire, Scotland and the UK to be a leader in driving progress and research on automated and electric vehicles while bringing needed investment to the part of the country I represent. In order to do that, however, we need the Bill to ensure we have the legal and physical framework to facilitate such development in Perthshire and elsewhere in the UK. That is why I support the Bill.

9.17 pm

Mike Wood (Dudley South) (Con): Westfield Sportscars in my constituency is a family-owned firm. The company was built on manufacturing sports cars and kit cars, but it has now expanded into electric and autonomous vehicles. I was pleased earlier this year to welcome the Secretary of State for Transport and the Government Chief Whip to Westfield to see the new autonomous pods it is now exporting. Working with Ordnance Survey and a range of academic and commercial partners, Westfield has created a world-beating product. Westfield has told me that the Bill is necessary for it to develop the next generation of world-beating autonomous vehicles.

Westfield Sportscars concluded a deal with a regional government in South Korea earlier this year, and I was pleased to welcome a delegation from South Korea to Westfield in March. The firm is now supplying autonomous pods as an urban transit system in a £30 million contract that is potentially worth far, far more. Westfield is now working with Emirates to introduce similar pods airside, which has enormous potential—Emirates is looking at 3,000 vehicles.

This small family firm based in the Black country is delivering cutting-edge autonomous vehicles across the world, but until the Bill is enacted Westfield is unable to supply many of its pods for use right here in the United Kingdom. This Bill provides the stability, the supportive regulatory framework and the clear insurance market that not only firms such as Westfield need but that consumers need if they are to have confidence in this emerging market. Legislation introduces a basic legal framework and it is not appropriate to expect it to have great detail—that will appear later in statutory instruments. However, we must make sure that the legislation we are considering at this point does not preclude later secondary legislation from creating the clear framework that a successful industry will need.

Let me briefly touch on a few points that I hope the Minister will consider in this legislation and the regulations to follow. We need to consider the retention of vehicle and safety data. I am talking about things such as gravitational readings, as well as internal and external cameras, and how they can be made available to investigators and to insurers in cases of accidents and near misses to establish what went wrong and where any fault might lie. For that to be useful it will be necessary for the data to be retained for six years, in line with personal injury limitations.

Similarly, we need to make sure that we are properly logging versions of vehicle software that is safety critical. It may be remotely updated. That is one issue that has not yet been considered in the Bill. Where the software is remotely updated, we need to consider how that can be recorded and made available to vehicle operators and to insurers so that we can be sure what software was running at the time of any incident.

Thirdly, on the question of sensor payloads, the Minister will be aware that the pace of advancement in technology means that sensors may be out of date within six months. I therefore ask him to consider whether the duty should be placed on the original equipment manufacturer to upgrade the vehicles to the latest specifications and then to inform insurers, in a similar way to what happens in the aviation industry. I hope Ministers will consider those three elements as this legislation proceeds and in the regulations that will follow, adding more detail to this regulatory framework.

The key message coming from industry is that this legislation is needed quickly so that we can protect Britain's place in leading the world in autonomous vehicles.

Several hon. Members *rose*—

Madam Deputy Speaker (Dame Rosie Winterton): Order. I had hoped that we would not have to impose another time limit, but I have so many speakers left that I am going to impose a three-minute limit.

9.23 pm

Julian Knight (Solihull) (Con): I refer Members to my entry in the Register of Members' Financial Interests and my chairmanship of the all-party group on fair fuel for UK motorists and UK hauliers.

I was going to regale the House with talk about Jaguar Land Rover in Solihull and all the efforts it is making in this regard, but that can wait for another day. The Bill takes us part way, doing good groundwork and providing rolling regulatory reform, to ensuring that the necessary provisions are in place by the time the cars of the mid-21st century hit the market in the 2020s. For electric cars, we need not only a proper regulatory framework, but to ensure that the necessary physical infrastructure such as charge points is in place. I, along with my all-party group, outlined to the Chancellor recently in a letter that we have a long way to go to reach this goal.

We have 8,400 filling stations, each of which can fill five or six cars every five minutes, whereas there are fewer than 4,000 public charging points, only a quarter of which can fully charge a car in half an hour or less. We need to bring confidence to the market over time by reassuring motorists that there is no danger of their running out of juice on their way to the next appointment or to their urgent engagement. This is to say nothing of the major upgrades that will be needed to the national grid and our national power generation, or the technological progress necessary to feed back into the network from these new types of car.

I am pleased that the Government are taking steps to ensure that the challenges involved in insuring automated vehicles are resolved as soon as possible. The Bill will rightly ensure that insurers have a statutory right to recover costs from a manufacturer in the event of a crash caused by malfunctioning self-driving technology. That is absolutely vital to ensure that car users are not unfairly punished in the event of a collision they could not have prevented. Moreover, the provision to ensure that insurers retain the primary responsibility for settling claims means that victims will not need to wait for the outcomes of arcane and technical disputes.

Finally, I must emphasise how important it is that the public mood is prepared for self-driving cars. As chairman of the all-party group on fair fuel for motorists and hauliers, I have seen how millions of motorists bought diesel cars with the very best of intentions, urged on by politicians, only to face the potential for punitive taxes as official winds now blow in a new direction. I well understand why the public would be sceptical of politicians lauding a new game-changing technology, but we need to emphasise the huge potential to save thousands of lives by cutting the number of human error car accidents on our roads each year. We will fulfil that potential, though, only if automated vehicles are taken up widely. We all know how easy it can be to stick with what is comfortable and familiar. If public opinion does not keep pace with technology, the visions contained in the Bill will not go as far as they should. I welcome the Bill; it is definitely a step in the right direction.

Madam Deputy Speaker (Dame Rosie Winterton): After my strictures, a lot of Members have obviously withdrawn from making their speeches, so we can move to Andy McDonald.

9.26 pm

Andy McDonald (Middlesbrough) (Lab): Thank you, Madam Deputy Speaker. We have had a very thorough debate, so perhaps Members thought that the ground has been well covered, as it has.

As has been previously stated, Labour is supportive of the Bill. We intend to vote in support of it but to table key amendments in Committee. Indeed, we supported these clauses the first time around, when they were part of the Vehicle Technology and Aviation Bill, which had passed through its Commons Committee only for the Prime Minister to go off for a walk in Wales and then call a snap election, so all that work was lost.

I commend the Minister for Transport Legislation and Maritime for his approach to the Bill, which reflects his approach to all such matters. If Carlsberg did legislation, it would copy his lead.

Before I discuss the content of the Bill and some of the contributions we have heard, I wish to express my disappointment at the Government's decision to break up what was the Vehicle Technology and Aviation Bill so that it could be reintroduced as smaller, separate Bills. As the hon. Member for Kilmarnock and Loudoun (Alan Brown) said, the introduction of the Air Travel Organisers' Licensing Bill—a four-clause Bill, whose clauses had already been debated as a part of the Vehicle Technology and Aviation Bill—and the inordinate amount of time afforded to debating it, was nothing less than an embarrassment. It is clear that the Government, running scared of Parliament, decided to break-up the Vehicle Technology and Aviation Bill in an attempt to compensate for a threadbare legislative agenda, and so that the House would spend as much time as possible re-treading old ground so that they could avoid debates and votes on the myriad important issues facing our constituents that should require our urgent attention.

We will seek to make a number of key amendments in Committee on areas of concern, such as the liberal use of delegated powers in the Bill, and I have taken on board some of the comments made by the right hon. Member for West Dorset (Sir Oliver Letwin) on clause 9. We will amend any areas of the Bill that might add costs to policyholders and contention over liability between manufacturers and insurers. We will also seek to amend the Bill so that the Government have to consult widely on developing a definition of "automated vehicles", as highlighted by the hon. Member for Milton Keynes South (Iain Stewart), and we will press the Government to clarify how the proposed regulations will promote the uptake of electric vehicles, ultra low emission vehicles and automated vehicles.

We have heard a range of contributions. My hon. Friends the Members for Bishop Auckland (Helen Goodman), for Barrow and Furness (John Woodcock) and for Swansea East (Carolyn Harris) returned to the issue of the adequacy of charging points and came forward with many suggestions, including the provision of charging points at shopping centres and the like. My hon. Friend the Member for Eltham (Clive Efford) was quite correct to highlight some of the moral choices that we will have to wrestle with through Committee stage and beyond in terms of the choices that automated vehicles will make on our behalf.

[Andy McDonald]

There was a wide-ranging and thought-provoking contribution from my hon. Friend the Member for Ellesmere Port and Neston (Justin Madders) concerning the reality of the job losses in his constituency. He highlighted that particular moment when the occupant ceases to become liable, and mentioned deliberate hacking, which was referred to on a number of occasions. My hon. Friend the Member for Bristol West (Thangam Debbonaire) talked about the potential ratcheting up of debt finance agreements, and the affordability of such contractual arrangements. She warned about our remaining vigilant in that respect. My hon. Friend the Member for Warwick and Leamington (Matt Western) highlighted the higher take-up of electric vehicles in places such as Norway and their apparent better interoperability, saying that perhaps lessons could be learned in that regard.

It is important to make it clear that although there is much support in this Bill, it is not accompanied by a broader strategy that is sufficient to combat air quality and climate change or to support industry. It was a positive move from the Government to announce the ban on sales of all diesel and petrol cars and vans from 2040, but that will not be achieved while the target remains unaccompanied by additional measures and increased funding for alternative modes of transport.

The Bill does not address the issue of funding sufficiently to support the uptake of electric vehicles. It was clearly a counterproductive move to slash grants for ultra low emission vehicles and electric vehicles and to cut the plug-in grants for EVs and for home charging, as the market alone will not facilitate the transition to future vehicles. The Office for Low Emission Vehicles already subsidises low emission cars and vans but does not do so for e-bikes. OLEV has said that that is because Ministers have not given it a remit to do so.

Labour has also pledged an additional £200 million to the Office for Low Emission Vehicles, which could be used to reinstate grants such as a wider commitment to invest in the work of OLEV to provide clean modes of transport. In practice, better funding to the office would also mean that the new ULEV grant scheme could be financed as part of better support for research and other grants, including for e-bikes, which OLEV deems necessary. Grants could be awarded to create a wider network of charging points. On that point, I do acknowledge the announcement of extra funding made by the Minister tonight, for which I am grateful.

Automated vehicles will make our roads safer and underline the importance of reducing the number of killed and seriously injured on our roads. Tragically, for too many families the road safety record of this Government is not a happy one. The latest road safety statistics make for chilling reading, with the number of road deaths at a five-year high and serious life-changing injuries up by 9%.

Labour made significant progress on road safety, but those targets have been scrapped, which has allowed our roads to become more dangerous. The underfunding of police forces has meant that there are a third fewer dedicated traffic police than a decade ago, making enforcement less effective. In the long term, automated vehicles will make our roads safer, but we cannot allow the Government to substitute urgently needed action with long-term strategies, and legislating on automated

vehicles should not be an excuse for a failure to reintroduce road safety targets and a refusal to deliver the resources our police forces need.

Although it is true that air quality will in future be improved by the use of electric and ultra low emission vehicles, there is an abject failure to tackle the air pollution crisis that today is causing some 50,000 premature deaths. The Conservatives have failed to introduce a diesel scrappage scheme or to give local authorities the powers they need to introduce clean air zones. We saw today measures set out by the Mayor of London, but it is wrong that the Government are denying local authorities the powers they need to clean up our towns and cities. The Government are presiding over a lack of investment in sustainable modes of transport, including cuts to bus services, which are in decline due to a combination of cuts and the failure of the bus deregulation system.

However, against that backdrop, Her Majesty's Opposition will support this Bill. We will work to secure the support of the Government for our amendments in Committee to deliver the best possible legislation to accommodate the burgeoning automated and electric vehicle industry, and the massive social and economic potential that it represents.

9.35 pm

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): What an excellent debate this has been. It has been largely warm, sensible and, in general, non-partisan—until the last few minutes at least. The speech of the hon. Member for Middlesbrough (Andy McDonald) would have been electrifying, but only if he had been plugged into one of our 11,500 charging points around the country. We have had a Whig theory of history; we have had the modern industrial strategy from my beloved colleague, the Minister for Transport Legislation and Maritime; but there has been no mention of Keats, Shelley or Byron.

Mr Speaker: No!

Jesse Norman: I know; it is hard to imagine, Mr Speaker. None the less, we have managed to soldier on. As the Minister said, his remarks were all too brief at a mere 58 minutes, leaving the House yearning for more. He went on at some length—and rightly so—about the rurality of his constituency and the importance of these issues, which affect not merely urban, but rural constituencies. All I can say is that South Holland and The Deepings is downtown Manhattan compared with Craswall, Longtown and Rowlestone in my constituency. He also advertised the electrical charging points, which I think he wishes to be known as “Hayes’s hook-ups”. I think he is secretly yearning for such a name, based on the Belisha beacon. May I suggest “Johnny’s jumpstarts” as an appropriate alternative name for the charging points, doubtless equipped with car-activated klaxons, lasers, smoke, and son et lumière to alert the driver to the possibility of a charge?

We have had a good debate. I can do no better than to touch on some of the contributions and correct one or two points in passing. The hon. Member for Kingston upon Hull East (Karl Turner) said that the Bill contains too much discretion for the Secretary of State, but the Secretary of State’s power is not discretionary. If a vehicle conforms to the criteria, the Bill will apply to it.

He also rightly mentioned the importance of a common mode to access charging, which is what the Bill is designed to provide.

I greatly enjoyed the excellent speech of my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan). She made us very happy by not talking about HS2, as she promised. She rightly encouraged Transport for London and local authorities to invest more in charging infrastructure. The Government agree, which is why we have invested £28 million so far to support charging points at tube and train stations. She rightly talked about manufacturing opportunities. Again, the Government agree. The industrial strategy has the Faraday Challenge, which many hon. Members have mentioned, as its counterpart. That is worth some £246 million. My right hon. Friend also pointed out, as others have, the importance of charging back to the grid. We have announced a £20 million competition to stimulate vehicle-to-grid charging.

I greatly enjoyed the speech of the hon. Member for Kilmarnock and Loudoun (Alan Brown), who regretted a sense of déjà vu and worried that insurance premiums will not fall as we hope they will. I hope that he was reassured by the quotation from the head of insurance at AXA.

My hon. Friend the Member for Charnwood (Edward Argar) was right to emphasise both the commercial and environmental opportunities offered by the legislation. The hon. Member for Ellesmere Port and Neston (Justin Madders) emphasised the importance of proper support for jobs, so it is interesting that the Transport Systems Catapult predicts that this technology set will provide 6,000 to 10,000 new jobs by 2035. I also welcome the focus he and several other hon. Members gave to the legal and moral issues raised by this legislation.

My right hon. Friend the Member for West Dorset (Sir Oliver Letwin) made some brilliant philosophical points, which will need to be addressed in Committee. The same was done by several other colleagues, including my hon. Friends the Members for Milton Keynes South (Iain Stewart) and for Cannock Chase (Amanda Milling). My hon. Friend the Member for North East Derbyshire (Lee Rowley) built his reputation on a further excellent extemporary speech.

This is an excellent piece of legislation, it is warmly supported by the Opposition, and I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

AUTOMATED AND ELECTRIC VEHICLES BILL (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order No. 83A(7)),

That the following provisions shall apply to the Automated and Electric Vehicles Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 16 November.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

(4) 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.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

(7) Any other proceedings on the Bill may be programmed.—
(*Rebecca Harris.*)

The House divided: Ayes 285, Noes 130.

Division No. 25]

[9.40 pm

AYES

Afolami, Bim	Davies, Chris
Afriyie, Adam	Davies, David T. C.
Aldous, Peter	Davies, Glyn
Amess, Sir David	Davies, Mims
Andrew, Stuart	Davies, Philip
Argar, Edward	Djanogly, Mr Jonathan
Atkins, Victoria	Docherty, Leo
Bacon, Mr Richard	Dodds, rh Nigel
Badenoch, Mrs Kemi	Donaldson, rh Sir Jeffrey M.
Baker, Mr Steve	Donelan, Michelle
Baldwin, Harriett	Double, Steve
Barclay, Stephen	Dowden, Oliver
Bebb, Guto	Doyle-Price, Jackie
Benyon, rh Richard	Duddridge, James
Beresford, Sir Paul	Duguid, David
Berry, Jake	Duncan, rh Sir Alan
Blackman, Bob	Duncan Smith, rh Mr Iain
Blunt, Crispin	Dunne, Mr Philip
Bone, Mr Peter	Ellis, Michael
Bowie, Andrew	Ellwood, rh Mr Tobias
Bradley, Ben	Elphicke, Charlie
Bradley, rh Karen	Eustice, George
Brady, Mr Graham	Evans, Mr Nigel
Brereton, Jack	Evennett, rh David
Bridgen, Andrew	Fabricant, Michael
Brine, Steve	Fallon, rh Sir Michael
Brokenshire, rh James	Fernandes, Suella
Bruce, Fiona	Ford, Vicky
Buckland, Robert	Foster, Kevin
Burghart, Alex	Francois, rh Mr Mark
Burns, Conor	Frazer, Lucy
Burt, rh Alistair	Freeman, George
Cairns, rh Alun	Freer, Mike
Cartlidge, James	Fysh, Mr Marcus
Cash, Sir William	Gale, Sir Roger
Caulfield, Maria	Garnier, Mark
Chalk, Alex	Gauke, rh Mr David
Chishti, Rehman	Ghani, Ms Nusrat
Chope, Mr Christopher	Gibb, rh Nick
Churchill, Jo	Gillan, rh Mrs Cheryl
Clark, Colin	Glen, John
Clark, rh Greg	Goldsmith, Zac
Clarke, rh Mr Kenneth	Goodwill, Mr Robert
Clarke, Mr Simon	Graham, Luke
Cleverly, James	Graham, Richard
Clifton-Brown, Geoffrey	Grant, Bill
Coffey, Dr Thérèse	Grant, Mrs Helen
Collins, Damian	Gray, James
Costa, Alberto	Grayling, rh Chris
Courts, Robert	Green, Chris
Cox, Mr Geoffrey	Green, rh Damian
Crabb, rh Stephen	Greening, rh Justine
Crouch, Tracey	Grieve, rh Mr Dominic

Griffiths, Andrew
 Gyimah, Mr Sam
 Hair, Kirstene
 Hall, Luke
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Howell, John
 Huddleston, Nigel
 Hughes, Eddie
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jack, Mr Alister
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Dr Caroline
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Keegan, Gillian
 Kennedy, Seema
 Kerr, Stephen
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lamont, John
 Lancaster, Mark
 Latham, Mrs Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Letwin, rh Sir Oliver
 Lewer, Andrew
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Little Pengelly, Emma
 Lopez, Julia
 Lopresti, Jack
 Lord, Mr Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Maclean, Rachel
 Mak, Alan
 Malthouse, Kit
 Mann, Scott
 Masterton, Paul
 Maynard, Paul
 McLoughlin, rh Sir Patrick

McVey, rh Ms Esther
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Moore, Damien
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 O'Brien, Neil
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Sir Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pincher, Christopher
 Pow, Rebecca
 Prentis, Victoria
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Ross, Douglas
 Rowley, Lee
 Rudd, rh Amber
 Sandbach, Antoinette
 Scully, Paul
 Seely, Mr Bob
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Skidmore, Chris
 Smith, Chloe
 Smith, Julian
 Smith, Royston
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, rh Mel

Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Sir Robert
 Thomas, Derek
 Thomson, Ross
 Throup, Maggie
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Theresa

Walker, Mr Robin
 Wallace, rh Mr Ben
 Warburton, David
 Warman, Matt
 Watling, Giles
 Whately, Helen
 Wheeler, Mrs Heather
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williamson, rh Gavin
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, Mr William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 David Rutley and
 Nigel Adams

NOES

Abbott, rh Ms Diane
 Amesbury, Mike
 Antoniazzi, Tonia
 Austin, Ian
 Benn, rh Hilary
 Blomfield, Paul
 Bradshaw, rh Mr Ben
 Brown, Alan
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Byrne, rh Liam
 Campbell, rh Mr Alan
 Carden, Dan
 Charalambous, Bambos
 Coaker, Vernon
 Cooper, Rosie
 Coyle, Neil
 Crausby, Sir David
 Creasy, Stella
 Cryer, John
 Cunningham, Alex
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Dent Coad, Emma
 Dhesi, Mr Tanmanjeet Singh
 Docherty-Hughes, Martin
 Doughty, Stephen
 Dowd, Peter
 Drew, Dr David
 Duffield, Rosie
 Efford, Clive
 Elmore, Chris
 Evans, Chris
 Flynn, Paul
 Gaffney, Hugh
 Gardiner, Barry
 George, Ruth
 Glindon, Mary
 Grady, Patrick
 Green, Kate
 Greenwood, Margaret
 Griffith, Nia
 Haigh, Louise
 Hanson, rh David
 Hardy, Emma
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hepburn, Mr Stephen
 Hill, Mike
 Hollern, Kate
 Howarth, rh Mr George
 Jarvis, Dan
 Jones, Darren
 Jones, Gerald
 Jones, Graham P.
 Jones, Mr Kevan
 Jones, Sarah
 Khan, Afzal
 Killen, Gerard
 Laird, Lesley
 Lee, Ms Karen
 Lewis, Clive
 Lloyd, Tony
 Long Bailey, Rebecca
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Angus Brendan
 Madders, Justin
 Martin, Sandy
 Maskell, Rachael
 Matheson, Christian
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McGinn, Conor
 McInnes, Liz
 McMahan, Jim
 Mearns, Ian
 Morgan, Stephen
 Morris, Grahame
 Norris, Alex
 Onasanya, Fiona
 Osamor, Kate
 Owen, Albert
 Peacock, Stephanie
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Platt, Jo
 Pollard, Luke
 Qureshi, Yasmin
 Rashid, Faisal
 Rayner, Angela
 Reynolds, Jonathan

Rimmer, Ms Marie
 Robinson, Mr Geoffrey
 Rodda, Matt
 Rowley, Danielle
 Russell-Moyle, Lloyd
 Skinner, Mr Dennis
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Laura
 Snell, Gareth
 Sobel, Alex
 Spellar, rh John
 Starmer, rh Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes

Stringer, Graham
 Sweeney, Mr Paul J.
 Tami, Mark
 Turner, Karl
 Twist, Liz
 Walker, Thelma
 Western, Matt
 Whitehead, Dr Alan
 Whitfield, Martin
 Williamson, Chris
 Wilson, Phil
 Woodcock, John
 Yasin, Mohammad

Tellers for the Noes:
Vicky Foxcroft and
Jeff Smith

Question accordingly agreed to.

AUTOMATED AND ELECTRIC VEHICLES BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Automated and Electric Vehicles Bill, it is expedient to authorise the payment of sums into the Consolidated Fund.—(*Rebecca Harris.*)

Question agreed to.

Business Without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRICITY

That the draft Electricity Supplier Obligations (Amendment and Excluded Electricity) (Amendment) Regulations 2017, which were laid before this House on 28 March in the last Session of Parliament, be approved.—(*Rebecca Harris.*)

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRICITY

That the draft Electricity Capacity (Amendment) Regulations 2017, which were laid before this House on 22 March in the last Session of Parliament, be approved.—(*Rebecca Harris.*)

Question agreed to.

COMMITTEES

Mr Speaker: With the leave of the House, we will take motions 6 to 9 together.

Ordered.

BACKBENCH BUSINESS

That Rehman Chishti be discharged from the Backbench Business Committee and Chris Davies be added.

PROCEDURE

That Dan Carden and Bambos Charalambous be members of the Procedure Committee.

WELSH AFFAIRS

That Stephen Kinnock and Liz Saville Roberts be members of the Welsh Affairs Committee.

WORK AND PENSIONS

That Marsha De Cordova be discharged from the Work and Pensions Committee and Emma Dent Coad be added.—(*Bill Wiggin, on behalf of the Selection Committee.*)

Mr Speaker: We now come to the Adjournment debate. It is quite inexplicable that Members should not want to hear about the provision of healthcare in north Staffordshire, but if there are Members who, unaccountably, do not wish to do so, I hope that they will leave the Chamber quickly and quietly. The hon. Member for Horsham (Jeremy Quin) can attend to his important messages either in a sedentary position or outwith the Chamber, whichever is his preference.

Healthcare: North Staffordshire

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

9.55 pm

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op): At the heart of every community is a hospital, and a hospital such as north Staffordshire's Royal Stoke is one that has many potential problems. As a result of previous occurrences, the trust has grown in size, and at the end of 2017-18, the hospital was predicted to have a deficit of £119 million. We know that the NHS is one of the things we are proudest of in our country, but we also know that it is one of the things in our country where spending squeezes have been greatest.

It was announced earlier this year that £29 million would be saved in-year by the hospital as part of the cost improvement programme. This hospital has one of the highest entry rates at accident and emergency, and it is also one of the places at which people routinely present themselves out of frustration at not being able to get a doctor's appointment locally. The figure of £29 million in-year savings was increased in March to a target of £50 million, and further savings were projected for 2018-19 and 2019-20 of £35 million each, taking the total savings of the hospital to well in excess of £120 million.

After serious work, the hospital is now suggesting that it will be able to end the year with a deficit of £68.9 million. However, the deficit is dependent on two other funding arrangements that have yet to materialise relating to the County Hospital in the constituency of the hon. Member for Stafford (Jeremy Lefroy), and I am grateful to him for being in the Chamber. NHS England has promised £14.9 million towards the transitional fund to help Royal Stoke with the demands placed on it by the County Hospital and to help the people of Stafford to maintain the hospital that they want and so richly deserve, and a further £9.9 million was promised from the Department of Health, but that money has not materialised. That bill of about £25 million is one the University Hospitals of North Midlands NHS Trust needs and would like to have in order to secure the provision of health services for north Staffordshire.

Jeremy Lefroy (Stafford) (Con): I congratulate the hon. Gentleman on securing this debate. I absolutely agree with him that the work Royal Stoke has done to bring stability to County Hospital, Stafford, has been of great benefit to my constituents and the people of the whole of my part of Staffordshire. It is therefore absolutely vital that the trust and Royal Stoke should not suffer from having undertaken this very important work.

Gareth Snell: The hon. Gentleman is absolutely right. The trust in north Staffordshire should not suffer, and nor should his constituents in Stafford, who quite rightly want to have the hospital they have with the services it is providing, including an A&E service that is vital to relieving pressure in Royal Stoke A&E at peak times.

As I have said, the cost improvement programme in-year saving was raised to £50 million in March. Having already found itself with a £25 million hole, because money had not materialised from NHS England

and the Department of Health, the trust decided to up the cost improvement programme savings by a further £10 million. That means the hospital is required to find £60 million in this financial year, on top of all the savings that are being made through the capped expenditure programme.

The hospital is aware of things it can do to help to alleviate its problem. For instance, it is investing £2 million in creating 45 additional beds to alleviate waiting times in A&E by taking out excess space in corridors and smaller bathrooms to use for beds. We would all agree that we do not want them to be in such a position, but it is taking that risk and making that investment to try to improve the health service in Stoke-on-Trent and in north Staffordshire.

I pay tribute to Paula Clark, the chief executive of the trust, who has worked tirelessly with the former chair of the trust, John MacDonald, to try to overcome the problems the hospital has faced, not least the reputational issues that came with some of the incorrect information circulated under the—

10 pm

Motion lapsed (Standing Order No. 9(3)).

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

Gareth Snell: As I was saying, I pay tribute to Paula Clark, the chief executive of the trust, and the former chair of the trust, John MacDonald, for the work they have done to bring the trust together, for taking on County Hospital when it was in a precarious position and for providing stability not just to the hospital in my constituency, but to the wider north Staffordshire healthcare economy.

Jim Shannon (Strangford) (DUP): Nationally, England, Wales and Northern Ireland have failed to meet one of their key targets for 18 months. I think in particular of the cancer waiting list. Northern Ireland has a non-functioning Assembly due to Sinn Féin's intransigence—that is our reason. What does the hon. Gentleman think is the reason in Staffordshire?

Gareth Snell: The hon. Gentleman asks the excellent question of what cause we attribute the situation to. I am hesitant to give an answer that points the finger of blame. One reason why north Staffordshire and Staffordshire as a whole have failed to remedy the problem is that there has been a game of pass the buck in determining who is responsible for not achieving what. That means that nobody has taken responsibility. One issue in Staffordshire is industrial disease, which has caused us not to meet A&E waiting times because people who cannot get the secondary healthcare they want present to A&E with their problems. That means that we have missed both the four-hour and 12-hour A&E targets. Although we have met six of the seven targets on cancer waiting times, we are still short on one.

The hon. Gentleman's question is pertinent because we have a hospital that already has a deficit and has been challenged to make £60 million of savings this year and a further £70 million in the next two years, and North Staffordshire and Stoke-on-Trent clinical commissioning groups have decided that the best way to

help that hospital, when it is struggling to meet those targets, is to fine it an additional £10 million. I do not understand the logic of taking a fine of £10 million from an organisation that is already struggling to deliver the services with the cash that it has.

Ruth Smeeth (Stoke-on-Trent North) (Lab): Does my hon. Friend agree that, in spite of all the efficiencies that are being made by the chief executive of our hospital, the reward is that the percentage cuts are deeper at Royal Stoke and University Hospitals of North Midlands than at any other hospital in the country? That is not a reward for the efforts that are being made to provide decent healthcare provision for our constituents.

Gareth Snell: I am usually pleased to see Stoke-on-Trent at the top of a leader board, but the one that my hon. Friend highlights is not one that we should be proud to top. She demonstrates the perverse and farcical nature of a funding system that targets those who have the least by penalising them further financially. That will simply compound the problem in the healthcare system in north Staffordshire, which will impact on the wider Staffordshire health economy and cause greater problems for her constituents, my constituents and the constituents of the hon. Member for Stafford.

To give credit where it is due, the Government have offered £530,000 of additional funding to help with the potential crisis this winter. Again, that shows the perverse nature of the funding situation. On the one hand, we are asked to make huge cuts in the tens of millions, yet the Government recognise that the winter will be challenging and offer half a million pounds back. It seems that money is circulated around the system, but those who need it most—the constituents we represent—are unable to get the support they need.

The problems with A&E in Stoke-on-Trent have been compounded by the loss of 168 community care beds at various community hospitals around north Staffordshire. The decision was made by the clinical commissioning group 18 or so months ago to move towards a “My Care, My Way—Home First” pathway, whereby people would be discharged from the hospital straight to their home, without the need for a step-down continuing care facility. We were told that that would revolutionise the way care was provided in north Staffordshire. However, we know that one of the things that is causing delays in our A&E and financial problems in our hospital is that the number of people who are declared medically fit for discharge but are unable to leave an acute bed because no care package is available in the community sector is growing. The hospital will tell us that. Stoke-on-Trent City Council is recruiting more care workers, but the package of care needed for those people is becoming more and more acute, and more and more difficult, meaning that private providers are simply turning away potential patients because they do not see them as profitable customers.

The community care bed scenario highlights what I think is a grave travesty in the way the health sector is now run. The Health and Social Care Act 2012 created clinical commissioning groups. In Staffordshire, we used to have three primary care trusts. They came to the conclusion that working as one cluster was the best way forward; that pooling their resources and working

collectively for the greater good of the 1.1 million in our county and city was the way forward. The Health and Social Care Act then created six clinical commissioning groups, who have now decided that the best way forward is to have one accountable officer and to work together for the benefit of the 1.1 million residents who live in Stoke-on-Trent and Staffordshire. I ask the Minister how is it possible that we have gone from a system of three PCTs to one PCT and from six CCGs to one accountable officer for CCGs—with all the money spent on reforming those services—when clinicians, Members of Parliament, councillors and patient groups were telling the Minister and the Government that that was the best way forward?

We now have a situation where NHS England has decided that the original consultation on the closure of those beds was not up to standard and ordered it to be re-consulted on, meaning that 168 community care beds will sit mothballed this winter—not formally decommissioned, but mothballed—while a second consultation takes place on whether they should exist at all. At the same time, the Government recognise that there will be an acute pressure on A&E in Royal Stoke Hospital that requires a half a million pound investment.

Ruth Smeeth: Does my hon. Friend agree that one of the most ludicrous parts of the game that has gone on with our community health beds is that the nursing staff who provide the services have been made redundant in advance of the end date of the consultation? Even if the consultation finds that the beds are necessary, the staff have been made redundant in advance of the decision. That is a ludicrous way to treat the workforce.

Gareth Snell: My hon. Friend is absolutely right. I could not agree more. As a former trade union official with Unison, I think the way the staff have been treated is simply unacceptable. It is also an additional cost burden. Staff have been made redundant at a cost to the clinical commissioning groups, which may find that the work they were doing is brought back into use if the consultation suggests the beds should exist. Again, I ask the Minister to provide some rationale as to why that is an effective use of public money in a healthcare system that we all agree is overspending and needs to find a way of closing its budget gap.

It is all too easy to point at Royal Stoke Hospital and say, “The hospital is the problem; fix the hospital and everything else will sort itself out”. That is partly true, but there are also issues around our capped expenditure programme. Over the next two years, Staffordshire is being asked to take £160 million out of its broader healthcare economy spending. A sustainability and transformation plan identified a deficit of almost half a billion pounds by 2022, yet the way to deal with that appears to be a disjointed approach to solving little problems in little areas without any reasonable thought about the way forward and how this can be redressed.

I go back to the community care beds. They provided a platform whereby people who were in an acute expensive setting could be discharged, at a point of being considered medically fit for discharge, to a provision that was designed to give them the care they needed before they transitioned to their home, a private care provider or a council-run care facility. That allowed them to make the change without the prospect of them re-presenting, at

[Gareth Snell]

the expense of the acute system, because they had been discharged too quickly. Again, this is money circulating around a system that is identifiable as waste in many people's considerations of what waste is, while at the same time it is being manufactured by the decisions of the CCG.

The CCG's decision on community care beds was referred to the Minister under paragraph 29(6) of the 2013 regulation almost a year ago. Letters from myself and my hon. Friend the Member for Stoke-on-Trent North (Ruth Smeeth), which were countersigned by my hon. Friend the Member for Newcastle-under-Lyme (Paul Farrelly), Baroness Golding and the former Member for Stoke-on-Trent South, Mr Ffello, have gone unanswered. I have raised the issue here as a point of order and at business questions, and I have asked the Secretary of State directly when we will get that response, but to date we still have had none. That is almost a year of referrals from the two tier 1 authorities and of unanswered parliamentary requests. It is creating an unacceptable level of uncertainty in the economics of the health service in Staffordshire.

Jack Breerton (Stoke-on-Trent South) (Con): I recognise that there are significant financial challenges, particularly around the hospital, but North Staffordshire Combined Healthcare NHS Trust, for example, has made significant improvements in the wider health economy. Does the hon. Gentleman agree that the main financial challenges are with the hospital and that, if we can address those, we can help the wider health economy?

Gareth Snell: The hon. Gentleman, like me, wants the best for the constituents of Stoke-on-Trent, but it is far too easy simply to blame the hospital for our wider concerns about the health economy in Stoke-on-Trent and north Staffordshire. He is right about the combined trust making great headway—for example, in dealing with mental health—but he, like me, will still have people coming to his surgery to complain that they have to wait four, five or six months for a referral to the child and mental health adolescent support team; that they ring the access and crisis number and it rings out; or that they have been unable to find a bed with a mental healthcare provider. In Staffordshire, the latter is virtually impossible; in the west midlands, possibly slightly easier. Either way, this is a national issue that is not being addressed and which is not of the making of the hospital in Stoke-on-Trent.

To take the hon. Gentleman's point slightly further, the CCG in north Staffordshire currently has a programme of slashing and burning all those support services and peripheral services that keep people from having to go to hospital in the first place. There is now no support for drug and alcohol services as a result of decisions by county councils, city councils and the CCG. Previously, these people were not presenting with acute problems in hospitals, but they now have no recourse to support and will end up presenting in A&E, in expensive treatment centres, getting the wrong sort of help for their conditions.

Independent support services in north Staffordshire for people presenting in hospital due to domestic violence are also being looked at and could be lost. The north Staffordshire users group, which recently changed its

name to Voice, has had all its funding withdrawn by the CCG, meaning that people with mental health conditions can no longer advocate or receive support to advocate for the help and support they need. Again, that will compound the situation in our acute setting, but small, lower cost interventions from the community or the third sector could have prevented such people presenting.

Furthermore—I know this is not unique to north Staffordshire—the social care system in Staffordshire is a problem, not least because getting people out of hospital into social care is a problem. The Royal Stoke, Stoke-on-Trent City Council and Staffordshire County Council routinely have unacceptable wait times in hospital, and more and more people are having temporary arrangements put in place and having their care packages changed while they are being delivered, which we all accept is not good for patients, for providers or for our overall health economy, because every change will cost money.

I know that the Minister has received numerous substantive briefings from healthcare providers across north Staffordshire—I know that mainly because they have told me and partly because I would not tell them what I was going to say today so they had to cover a multitude of areas. To save the Minister having to regurgitate facts already shared with MPs, I have prepared what I hope are simple questions which, if he can answer them, will provide us with an opportunity to move the debate forward. Everybody, irrespective of party politics, wants to move forward. We want a hospital that has the funding it needs; community care provision that meets the needs of people in our communities; a mental health system that not only responds to people when they hit crisis point, but actively works with them to ensure they do not get to crisis point in the first place; and a social care system that allows people who need care at home to receive it.

Will the Minister commit himself to providing a full response to the community care bed referrals from Staffordshire County Council and Stoke-on-Trent City Council, and respond to the letters from the Members whom I mentioned earlier? Will he do that as a matter of courtesy, if nothing else, even if his response is “We are rejecting the referrals”? At present those beds are mothballed, and the consultation is being rerun. The Minister has an opportunity to ensure that 168 community care beds are returned to our health economy this winter, which would significantly reduce pressures on A&E departments.

I ask the Minister to use whatever powers he has to intervene between the University Hospital of North Midlands Trust and the clinical commissioning groups to ensure that the £10 million of fines are waived, because they constitute the difference between our hospital's getting through the next 12 months and its crawling through the next 12 months on its knees. It does not make financial sense to penalise a hospital further for not meeting targets that it has struggled to meet because of its funding crisis. That is perverse economics by anyone's standards.

I should be grateful if the Minister would guarantee that the £9.9 million from the Department of Health and the £14.9 million from NHS England which were promised to Royal Stoke University Hospital so that it could cope with taking on the responsibilities and, dare I say, the burdens of the county hospital for a short time

as part of the trust special administrator model will be handed over to Staffordshire as a matter of urgency. That money is already budgeted for in Royal Stoke's plans, and is part of the amount that would enable it to reduce its deficit from £119 million to £69 million. Without it, we shall face a winter of absolute crisis.

Would the Minister consider convening a meeting to reassess the 2018-19 and 2019-20 cost improvement programme figures of £35 million each? Asking the hospital to take a further £70 million out of its operating budgets over the next two years is akin to asking someone with no money to pay a huge fine. It will just rack up more debt, and will end up being fined for not meeting its financial targets and fined further for not meeting its medical targets. This is a vicious and horrible circle, and I hope that, if the Minister cannot do so himself, the Secretary of State will use his powers to halt it so that we can have a little breathing space in which to try to solve the problems in our hospital.

Will the Minister intervene to ensure that the £19.5 million that is owed to Staffordshire County Council for the better care fund to help relieve the pressure on local authorities that are trying to deliver social care can be handed over? NHS England should have handed over that money, but it has not done so, and the delay has caused the better care fund to have a deficit. If the money is released, the assessment programme that was meant to alleviate some of the hospital's problems with discharging may be able to continue, but without it we shall be storing up problems for the future.

My next request involves a personal interest. As I am sure the Minister will know from his briefings, Staffordshire was a pilot area for a cancer care contract undertaken by Marcus Warnes of the CCG. The CCG hoped to procure a provider to deliver cancer care services, and £890,000 of public money was spent to that end—including staff time, the total came to nearly £3 million—only for the contract never to be let, and the process to be aborted. I appreciate that we cannot go back in time and rewrite the process, but what we can do is learn the lessons from Staffordshire to ensure that no other CCGs go through such an appalling and bungled procedure that wastes taxpayers' money. I should be grateful if the Minister would consider convening a meeting that would enable us to learn the lessons and share them with other CCGs so that we, and they, do not make the same mistakes in the future.

Let me end on a convivial note. Nearly 18 months ago my predecessor, Mr Tristram Hunt, invited the Secretary of State to visit the hospital. During the by-election that I fought in February, the Secretary of State came to Stoke-on-Trent, but did not go to the hospital. On my own behalf and that of my hon. Friend and neighbour the Member for Stoke-on-Trent North (Ruth Smeeth), I invite the Minister, or one of his colleagues, to come to Stoke-on-Trent, not so that we can have a stand-up row about the future of our hospital, but so that we can actually start the process of healing it. No one in Staffordshire wants to see our hospital fail, but we are currently walking down that road blindfolded.

All I ask is for the Minister to address the seven simple questions that I have put to him, and if he were to take up the offer to visit us, he would be most welcome.

10.19 pm

The Minister of State, Department of Health (Mr Philip Dunne): I congratulate the hon. Member for Stoke-on-Trent Central (Gareth Snell) on securing this debate, and on securing the support of neighbours and colleagues from both sides of the House, who clearly share his interest in ensuring that we have high-quality healthcare for the residents of north Staffordshire.

The hon. Gentleman gave a wide-ranging account of several of the challenges facing healthcare provision in Staffordshire, and I shall frame my remarks in the context of the NHS plan for resolving them. The hon. Gentleman did not mention it, but he will be aware that Staffordshire and Stoke-on-Trent's sustainability and transformation partnership is the vehicle through which all these issues are being brought together, to try to provide a sustainable, financially viable future of high-quality healthcare for the residents of Staffordshire. It is a complex area, and the rating given to the STP by the NHS earlier this summer reflects an understanding of the challenges being faced across Staffordshire, because it was rated in the lowest category. A number of steps are being taken to try to help leaders in Staffordshire to come to grips with the challenges that they face.

The area contains two local authorities, six clinical commissioning groups—as the hon. Gentleman mentioned—and five NHS trusts. Together, they provide services to more than 1.1 million people in Staffordshire. The hospital the hon. Gentleman invited me to visit, and on which he began his remarks, the Royal Stoke, also serves patients from Shropshire, including my constituents, as it is one of the leading trauma centres for the area. I have yet to visit that hospital, and I would be delighted at some appropriate point to take up his invitation; so at the outset I can give him that reassurance in answer to one of his questions.

We in the Department, and the Secretary of State in particular, are acutely aware that some of the pattern of provision in Staffordshire is coloured by the tragic events of Mid Staffs, and the importance of eradicating the poor care that the people in Staffordshire experienced because of the problems in that hospital at that time. Much has already been done to address the challenges that arose earlier in this decade, and I pay tribute to the NHS staff across Staffordshire, who have been working tirelessly to improve the way care is delivered. Just one year after the Mid Staffs inquiry, we saw a real shift in priorities, with new inspection regimes, additional nurses and a stronger voice for patients, leading to tangible improvements in the way care is delivered, but it is right for me to acknowledge, as the hon. Gentleman has in this debate, that the NHS in Staffordshire remains under significant pressure. The acute hospitals have been, and still are, struggling to meet quality standards and demand.

The STP has publicly stated that if the way services are delivered is not transformed, the majority of organisations across Staffordshire and Stoke-on-Trent will be in deficit by 2020, and many of them already are. Clearly, Staffordshire has long-standing local issues that need addressing. None of the organisations in the area can do that by themselves. Instead, they need to work together to deliver wide-ranging transformation. The STP is the vehicle to do this. It brings together the local population, NHS organisations and local authority bodies to propose how, at a local level, they can improve the

[Mr Philip Dunne]

way that their local health and care is planned and delivered. The plan published in December last year set out the scale of the area's ambition, identifying five particular areas that, if implemented, will help to achieve that.

The first area was a focus on shifting from reactive care to prevention. That means increasing the proportion of care delivered in the community, rather than in hospitals. Some £24 million has already been invested in community services by two CCGs in the STP area, including the CCG covering the hon. Gentleman's constituency, through changing the way local services are delivered. Further investments are being made to increase the capacity of primary and community care, which will, in turn, significantly reduce the pressures on A&E.

Gareth Snell: I want to push the point about community care if I may. The 168 community care beds are not only in my constituency; they are in Bradwell in Newcastle, and in Leek in the Culture Secretary's constituency. Will the Minister answer the point about referrals specifically?

Mr Dunne: I specifically will; I will come to that point very shortly.

It is important that we get the right balance between primary, community and secondary care. NHS leaders believe that they can significantly reduce the 30% of patients who are currently being treated in Staffordshire in the wrong setting. Clearly, patients sometimes have to go to our acute settings. We have recognised that the Royal Stoke, having reviewed its emergency department, is under-bedded. There is currently a plan for 46 beds to be added over the winter to help to relieve the pressure on the acute services. I will come to the question of the community beds in a second.

Jack Brereton: I want to raise the point about acute beds as well, because it is a significant issue. It particularly relates to the design of the hospital, which does not have enough acute beds. Does the Minister agree, however, that some of these issues predate this Government?

Mr Dunne: I am sure that my hon. Friend is right, but I am not going to get into a dispute about that just at the moment. I would like to deal with the question of community beds that the hon. Member for Stoke-on-Trent Central raised. He has referred to the request by two local authorities concerning the community bed closures, seeking a referral to the independent reconfiguration panel. He suggested that there had been no response to that request, unless I have misunderstood him. I think

that the hon. Member for Stoke-on-Trent North, who is sitting next to him, received a letter in February. The local authority received a letter to confirm that the referral request had been received, and the referral has been transmitted to the independent reconfiguration panel. We are currently awaiting the results of that referral and the panel's report and recommendations. The hon. Gentleman will therefore understand that it would be inappropriate for me to pre-empt the panel's conclusions by commenting on this specific case.

I want to touch on the financial challenges that the hon. Gentleman has referred to. I recognise some of the figures that he has referenced and questioned. We believe that Staffordshire needs to get into a financially sustainable position. At the moment, some areas of Staffordshire receive significantly more funding per capita than the rest of the county and than England as a whole. The Stoke-on-Trent CCG receives an allocation that is some 9% greater than the average for England per capita, reflecting the needs and challenges of that community. The NHS recognises that parts of Staffordshire are more challenged and need more money, but equally, the hon. Gentleman needs to recognise that each area of England needs to live within the budget that it has been set.

One of the challenges that Staffordshire has at present is that, for historical reasons that have not been addressed over the years—going back to the point made by my hon. Friend the Member for Stoke-on-Trent South (Jack Brereton)—the pattern of provision and the models of care have not developed in the way that they have in some other areas. This has meant that the cost of providing care—in some cases, in settings that are no longer as relevant as they could be—is resulting in Staffordshire running unsustainable deficits. It is unfair that other parts of the UK should provide even more funding into Staffordshire, resulting in their not having sufficient funding to look after their own populations.

The hon. Member for Stoke-on-Trent Central referred in particular to the better care fund. I understand that concerns are shared across the House about the funding that was pledged in the Budget. It was made clear to local authorities that as a condition of that funding they would need to make progress in reducing the delayed transfers of care. North Staffordshire has made huge strides in doing that and it currently has roughly zero delayed transfers of care, which is one of the best performances in the country. We need to see that improvement across the county as a whole. I know that there was a meeting last week to discuss that, and we will see how that progresses in the future.

Question put and agreed to.

10.30 pm

House adjourned.

Westminster Hall

Monday 23 October 2017

[MR PHILIP HOLLOBONE *in the Chair*]

Mortgages: Eligibility

4.30 pm

Paul Scully (Sutton and Cheam) (Con): I beg to move,

That this House has considered e-petition 186565 relating to eligibility for mortgages.

It is a pleasure to serve under your chairmanship, Mr Hollobone. The petition, which has attracted 147,307 signatures, reads:

“Make paying rent enough proof that you are able meet mortgage repayments”.

The petitioner, Jamie Jack Pogson, goes on to say:

“Since living on my own I have paid £70,000+ in rent on time yet still struggle to get a mortgage. Unless you’re getting handouts, wealthy or in receipt of inheritance it’s almost impossible. I want paying rent on time to be recognized as evidence that mortgage re-payments can be met.”

The broken housing market is one of the greatest barriers to social progress in Britain today. Whether buying or renting, housing is increasingly unaffordable, particularly for ordinary working-class people who are struggling to get by. The number of people getting joint ownership mortgages has gone up to 74% from 66% 20 years ago because of the need for two people’s incomes. The average age of first-time buyers is also creeping up. Deposits have increased significantly to £48,000 on average across the country. Here in London—I am a London MP—it costs £94,000 on average to get a deposit.

The key to fixing the housing market is clearly to build more homes, which is why the Government are committed to delivering 1 million more homes by the end of 2020. However, finding a deposit is still one of the biggest problems that people face when looking to buy a new home. The Government’s Help to Buy schemes have helped more than 320,000 people across the UK to buy a new home, including more than 275,000 first-time buyers. The equity loan scheme provides buyers with an equity loan of up to 20% of the value of a new build property, which is repayable once the home is sold. I am pleased by the recent announcement of a further £10 billion investment in the scheme to help an estimated 135,000 new buyers and to ensure that the scheme can continue to 2021.

Since the equity loan scheme’s launch, more than 130,000 properties have been bought with the support of the equity loan scheme; the majority—81%—were bought by first-time buyers. The scheme has not just helped people to buy a new home. Industry experts have also credited Help to Buy with boosting supply and generating benefits for communities, councils and the Exchequer. The London Help to Buy scheme offers an equity loan of up to 40% for Londoners who have a 5% deposit. The help to buy ISA will also continue to help people to save up for their first home by providing them with a maximum Government bonus of £3,000 on

£12,000 of savings—a boost of 25%. However, far too many hard-working young people from all walks of life are still struggling to get a foot on the property ladder.

John Howell (Henley) (Con): We face a situation in which banks have to ensure that they give good loans, but people want their rental payments to be taken into account. Rental payments do not seem to me to be a good guarantee for future performance, so does my hon. Friend have any suggestions about how they might be taken into account?

Paul Scully: I appreciate my hon. Friend’s important point, which I will come to later. Rent clearly does not give any guarantee for the future but it gives a better guide to creditworthiness, in the sense that people have spent time paying rent regularly, on a monthly basis. As we heard, the petitioner spent £70,000 with little to show for it other than that he paid his bills, whereas obviously, when someone has the aspiration of home ownership, that same £70,000 could have been building up equity. If someone has a good record in one area, they would hope that that, combined with all the other checks that banks need to do, would be good for credit for a mortgage as well.

The Government have doubled their housing budget and are investing £7.1 billion in the expanded affordable homes programme to deliver 225,000 affordable housing starts by March 2021. In addition, the housing White Paper sets out bold new plans to fix the broken housing market and build more homes across England. Starter homes, which are targeted at the first-time buyers we have been talking about, form an important part of the Government’s action to help more than 200,000 people become homeowners.

A £1.2 billion starter homes land fund will be invested to support the preparation of brownfield sites for starter homes and other affordable home ownership tenures. I am delighted that this year we will see the first starter homes being built on brownfield sites across the country. They will be built exclusively for first-time buyers between 23 and 40 years old, at a discount of at least 20% below market value. Alongside that, a new rent-to-buy scheme will help hard-working households to benefit from a discounted rent set flexibly at levels to make it locally affordable so that they can save for a deposit to purchase their home.

Stamp duty means that the average first-time buyer typically faces a tax bill of £11,427 here in the capital according to the Land Registry, which recorded the average price paid by new entrants to the London property market as £428,546. Even a starter flat costing a quarter of a million pounds attracts a stamp duty bill of £2,500. In my view, the Government should aim to take most first-time buyers and some downsizers purchasing smaller properties out of this tax entirely, to reduce the burden on family homes, and to fix anomalies such as those around shared-ownership properties, which are an increasingly popular way to get on the housing ladder.

The evidence is clear: stamp duty, like all transaction taxes, reduces the level of transactions. The effects can be pretty stark. For example, ahead of the buy-to-let surcharge in March 2016, mortgages soared by 71% but then dipped to 60% the month after. That was not just a short-term effect. Six months later, in December 2016, buy-to-let mortgage lending was down by nearly 40% on the year before, whereas other mortgage lending was up.

[Paul Scully]

Introducing the buy-to-let surcharge clearly reduced transaction levels, and the best way to boost them again is to cut stamp duty for homeowners, which should boost transactions and economic growth. By focusing on residential homes, such a cut would also boost home ownership. At the same time, shared ownership—an increasingly popular way to help people buy part of a property—needs stamp duty reform. Currently, the providers of these affordable home ownership properties and their customers often pay twice: providers pay on the whole property and then shared owners pay again when they buy their share. Stamp duty in such cases should be charged only once, making it even more affordable for people to get on the housing ladder.

James Cartlidge (South Suffolk) (Con): In my understanding—I have some involvement in shared ownership—the buyer elects when to pay, and one reason why is that if someone buys a share for, say, £250,000, the stamp duty at that point would be lower than if the price went up in future and they elected to pay at a later stage. If we reform the system, we should at least maintain the choice for the customer, because it works quite well.

Paul Scully: My hon. Friend is right that choice is important. I still believe that a simpler tax system would enable the system's anomalies to be ironed out right at the beginning, rather than each Budget having to iron out any anomalies that come out over time, but I welcome his intervention.

I began by talking about supply, which is the most important thing, in my view. The Government have taken action on that issue. Last year saw the highest number of residential planning permissions being granted on record and the highest level of net housing additions since the recession. However, the average home still costs almost eight times people's average earnings, making it difficult to get on the housing ladder. The proportion of people living in the private rented sector has doubled since 2000, with more than 2 million working households with below-average incomes spending a third or more of their disposable income on housing. That is why I am encouraged by the vision for housing set out in the White Paper. The starting point must be to build more homes, slowing the rise in housing costs, so it is right that the White Paper sets out measures to plan for the right homes in the right places, to build homes faster and to diversify the housing market.

Even if we can get enough houses, lower fixed costs for homebuyers and provide short-term help through schemes such as Help to Buy, there is still a significant structural issue that many young people, in particular, will face, and that is the difficulty in getting a mortgage. Tenants can be disadvantaged in getting credit beyond mortgages. Millions of people are excluded from affordable credit because they do not have a credit history. For the financially excluded, it is a Catch-22 situation: without a credit score, applicants are declined by mainstream providers and considered riskier customers, but the only way to build a credit score is to have a form of credit, such as a mortgage or credit card, in the first place.

Most people on low incomes manage their limited money carefully, yet banks, utility companies and other retailers can discriminate against them. An estimated

2 million people, many of whom are social housing tenants, take out high-cost loans because they cannot access more affordable credit. The Financial Inclusion Commission estimates what is often called the poverty premium—the extra spent on basic necessities such as gas and electricity, mobile phones, white goods and furniture—to be £1,300.

Big Issue Invest has an interesting initiative called the Rental Exchange that will chime with people who supported the petition. The organisation is working with Experian, the UK's leading credit reference agency, to prevent low-income people from being caught in a vicious circle of no credit score and no lending. Since 2010, Big Issue Invest and Experian have been working with registered social housing providers to incorporate tenants' rent payment history into their credit files, with no cost to either the housing provider or the tenant. The data are kept in a secure and compliant way, are not used for marketing purposes and are made available only if the tenancy information is relevant and the tenant has agreed to a credit check, or if it is strictly necessary for an organisation to check information about a tenancy, such as in a case of fraud. Tenants can opt out of the scheme.

More than 150 registered housing providers, including housing associations, local authorities and arm's length management organisations, are signed up to the Rental Exchange, representing 1.5 million tenants across the UK. Experian has tested the value of adding rent data to tenants' files for each housing provider that comes on board, working with the provider to ensure that rent payment data are accurate before allowing them to go live. The testing has demonstrated some positive results, including an increase in digital identity authentication rates from 39% to 84% for social tenants when rent data are included in credit files. As well as allowing better deals while shopping, that makes life easier in other matters, such as signing up at a GP surgery or accessing benefits without paper copies of identification. In more than 70% of cases, tenants with no significant arrears have increased their credit score.

As well as tackling financial exclusion among the people on the lowest incomes, the approach can have a significant benefit for young people who might have a reasonable income but have not had the time to build a reasonable history for lenders to consider. Rental data add more weight to a credit file on the register, giving lenders more confidence that the applicant is genuine, and a positive payment history provides a strong indicator of good financial conduct. Lord Bird, founder of *The Big Issue*, has introduced a private Member's Bill in the other place, the Creditworthiness Assessment Bill, which considers the wider implications and difficulties of financial exclusion, but I will limit the rest of my remarks to access to mortgages, as per the wording of the petition.

First-time buyers are much more likely to have been living in rented accommodation now than 20 years ago—66%, compared with 39%. Rent in London may have fallen over the last few months, but with a Greater London average rent of £1,564, the total amount spent on housing is still a huge proportion of the average household income, so it is hardly a surprise that so many people saw the suggestion in the petition as worthy of further consideration. I am pleased that the Residential Landlords Association supports the petition, although it expressed some concerns about the Rental Exchange system, as smaller landlords must go through

another layer of bureaucracy in order to be included: their rents must first be paid to a “Credit Ladder” before being passed on to them. The RLA expressed concern that that muddies the water about who chases rent arrears and distances landlords further from tenants.

Although those issues can be overcome, the concerns point to the fact that even a seemingly simple move would need to be carefully considered so as not to create any negative unintended consequences. Clearly, the last thing that anyone would want is for lending to be relaxed to the point that triggered the mortgage market review in the first place. Back in 2010, the Financial Services Authority found that expectations of ever-increasing house prices and the ability to pass on risk to others led to relaxed lending criteria and increased risk-taking.

There is nothing in the petition to suggest greater risk taking; in fact, the opposite is the case. Having a more rounded financial history for applicants can lead to more informed decision-making by lenders. That transparency works both ways, and could have a negative impact on future applications for some. There are many other factors that lenders must consider, such as long-term income stability. Homeowners have other costs that renters do not have to pay, such as redecoration, insurance and so on. Maintaining a home is not cheap, especially when it comes to one-off but necessary maintenance such as roof repairs. House purchasing is a long-term commitment, and interest rates can rise more erratically than rents.

The Petitions Committee arranged a forum on the Money Saving Expert website, which 1,400 people viewed and a few people commented on. One person expressed concern that letting agents have too much power over tenants as it is, but the majority of commenters were largely supportive of an approach like the one mentioned in the petition. Some people wondered why Government needed to be involved in the first place, a sentiment with which I have always had sympathy. I am old enough to remember Ronald Reagan’s nine most feared words:

“I’m from the Government, and I’m here to help.”

The Budget is coming up. I make a belated plea to the Minister to take the feedback from the 147,000 people who have signed the petition and consider moving towards a solution in the forthcoming Budget. When he replies, can he let us know whether he thinks that there is a market-based solution that we can unlock with our world-leading fintech businesses? Petition Committee members always say that an e-petition debate is not the end of the petition process but the start of a campaign. Including rent payments in the assessment of mortgages is not without its possible negatives, but I believe that it is well worth considering. I suspect that a market-based solution will have the flexibility required to make it work; brief legislation cannot easily change as the market develops. I hope that the Minister and the Government will consider the petition seriously and do what they can.

I remember the joy of buying my first house, and the sense of freedom and achievement. I am now at an age when my children, the eldest older than I was when I first picked up those house keys, are looking at the options open to them with some concern and trepidation. Let us ensure that first-time buyers have every chance of getting on the housing ladder, fulfilling the aspiration that so many of us have had the good fortune to realise. Let us do what we can in this area as another piece of the jigsaw in supporting a new generation of homeowners.

Mr Philip Hollobone (in the Chair): This debate can last until 7.30. Paul Scully will sum up the debate at the end, but in the meantime, I call Jim Fitzpatrick.

4.47 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I am pleased to see you in the Chair, Mr Hollobone; it is a pleasure to serve under you, as ever. I congratulate the hon. Member for Sutton and Cheam (Paul Scully) on securing this debate on behalf of the Petitions Committee. Those I have spoken to in the housing sector welcome his support, and the petitioners’ suggestion of including rental history in the criteria for securing a mortgage is clear common sense. They will be pleased to hear the Front-Bench speakers, especially my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) and the Economic Secretary to the Treasury, express their views and hopefully their support for the petition.

The hon. Member for Sutton and Cheam commented anecdotally that one of the worst-feared phrases is:

“I’m from the Government, and I’m here to help.”

When I was in the Government Whips Office from 2001 to 2004, it was even more welcome when I said to colleagues, “I’m from the Whips Office, and I’m here to help.” However, that is a different issue entirely.

I will speak briefly about a less obvious anomaly involved in mortgage eligibility and problems: the policy of doubling ground rents that many developers impose on leaseholders. Many thousands of people then have difficulty selling their property, because mortgage lenders draw red lines around it, locking it in so that they cannot move along the housing ladder.

There have been a number of announcements recently from the Department for Communities and Local Government. I recognise that that is not the Economic Secretary’s Department, but I am sure that DCLG checks with him before making any announcements, because if the Treasury does not green-light something, it does not get past the starting block. I am keen to hear his comments, as I will explain later, on DCLG’s announcements. They have included the housing White Paper, the leasehold review and the eight-week consultation, the call for evidence last week and statements on Grenfell. Over the weekend, the Secretary of State for Communities and Local Government also announced policies on house building, particularly in the social housing and rented housing sectors.

Ground rents used to be of a peppercorn nature—a token element of house buying. Before the 2008 crash, ground rents rose roughly with the RPI, if at all. After the crash, developers introduced the policy for ground rents to double every 10 years, which effectively meant an 8% to 10% annual increase on ground rents and real problems for sellers and buyers.

Some developers—the good ones—did not go down that road. In the past year, Taylor Wimpey has announced that it will end the doubling of ground rents and return to RPI. It has set up a £130 million fund to put right the unfairness that was introduced into the system and fix the problem. It has a way to go, but at least it has identified and accepted that the policy is anomalous and is looking to repair the unfairness. Some developers, such as Countryside, were still selling flats on that basis in London as recently as this spring.

[*Jim Fitzpatrick*]

Consequently, mortgage lenders are drawing red lines against such properties because they are not a good risk. They refuse to issue mortgages against them, which strands leaseholders. Leaseholders cannot move up the housing ladder even if they are getting older and have greater income or if their family is growing and they want to move to a bigger property. The Leasehold Knowledge Partnership, which advises the all-party group on leasehold and commonhold reform, estimates that more than 100,000 properties are in that category and thought to be unsellable; Nationwide, one of the biggest lenders in the country, is on record as agreeing to that estimate. One of my parliamentary team has such a property, a flat in south London. In the last 25 years of his lease, the ground rent on his flat will be £180,000 a year. That is a long way in the future, admittedly, but it is an indication of the eye-watering figures that make lenders really scared to disclose the eventual costs to prospective buyers.

It is clear that the Government recognise that there are real problems at this end of the housing sector. Their consultation on leasehold reform was specifically about ground rents doubling and homes for sale on a leasehold basis. They have said that they will move against both, but they will take evidence in the meantime. A number of welcome initiatives have been announced to address many of the anomalies, including yesterday's announcement by the Secretary of State on homes in the social rented sector.

The hon. Member for Worthing West (Sir Peter Bottomley), my co-chair on the APPG, has continually raised many of the outstanding problems of leasehold for a number of years. It is encouraging that the Government are moving on a number of those. Leasehold reform is long overdue. The Conservative Government tried to fix leasehold in 1993, and the Labour Government tried to fix it with the Commonhold and Leasehold Reform Act 2002. Neither was successful. It is more than time for movement now. Although the Minister is not directly involved in DCLG's programme, I would welcome an indication of whether mortgage eligibility is on the Treasury's radar and whether the Treasury, either separately or in partnership with DCLG, plans to deal with the problem and support DCLG's proposed solutions.

The ambition of all parties is to support home ownership, but because of these anomalies, that is further away for many people than ever. I look forward to hearing Front-Benchers' responses to points raised in the debate. From my point of view, leasehold reform is part of mortgage eligibility.

4.54 pm

Mr David Jones (Clwyd West) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone, and to follow the hon. Member for Poplar and Limehouse (Jim Fitzpatrick). I am pleased that the Petitions Committee has selected this issue for debate, and I commend my hon. Friend the Member for Sutton and Cheam (Paul Scully) on his opening speech.

The number of signatures on the petition and the impassioned terms in which it is phrased indicate people's frustration and concern that a strong record of making rental payments is not taken into account when assessing creditworthiness. As my hon. Friend said, most young people's ambition is to purchase a first home. They are

frustrated that most mortgage lenders do not take applicants' rental history into account, partly for the very good reason that credit reference agencies do not record rental payments.

A contract for the payment of rent is not a contract for credit. By and large, rent is paid in advance, frequently accompanied by a rental deposit. Nevertheless, a strong history of making rental payments on time is a good indication that an individual is capable of adhering to the discipline of making payments of sums due at the times at which they are due, which should be of interest to mortgage lenders. I therefore strongly support the proposition that credit reference agencies should record rental payments and take them into account. Not only might that assist in connection with mortgage applications, it would show a history of dependability that would open up other benefits, such as not requiring prepayment meters, making consumer credit easier, and better supporting tenants who wish to move into another rented property.

At present, only one credit reference agency, Experian, appears to have a model to enable rental payment history to be included in its credit scoring. As my hon. Friend has said, working with Big Issue Invest, Experian has developed a model called Rental Exchange, which allows large landlords—chiefly social landlords, but also private landlords with more than 100 properties—to report rental payments directly.

There are certain deficiencies in Experian's scheme, however. The private rented sector is growing, and has now surpassed the social rented sector. The vast majority of private landlords have significantly fewer than 100 properties; indeed, research undertaken by the London School of Economics for the former Council of Mortgage Lenders found that only 7% of private landlords rented out five or more properties. If a landlord has fewer than first 100 properties, tenants who want to include their rent payment history on Experian's credit score are required to pay their rent first to a company known as CreditLadder which my hon. Friend mentioned, which in turn pays the rent to the landlord and reports the payment to Experian.

This system raises a number of concerns. First, it introduces an additional artificial layer of bureaucracy into the relationship between landlord and tenant. Secondly, sums paid by tenants to CreditLadder are not covered by the Financial Services Compensation Scheme; CreditLadder's website makes it clear that it is not regulated by the Financial Conduct Authority, although sums paid to it are paid into a ring-fenced bank account. Thirdly, it is not yet clear whether payment of rent via CreditLadder will have an effect on Experian's credit reports. CreditLadder's website makes it clear that it will take time for Experian to create a robust credit score based on rental data; until then, it will not use the data as part of the score. CreditLadder reasonably points out that simply adding rental payments to the report will help the lender to make more informed decisions about creditworthiness.

Despite those criticisms, it is welcome that at least one credit reference agency is beginning to record rental payments. It would be good if other credit reference agencies began to follow suit. The Residential Landlords Association, which my hon. Friend the Member for Sutton and Cheam mentioned and which is the leading private sector representative organisation, has suggested an alternative to CreditLadder's means of recording

timely rental payments, and I would be grateful if my hon. Friend the Economic Secretary took account of it.

The RLA has suggested the development of a new special rental standing order form to be used in the case of rental payments. The standing order form would enable payments to be made directly by the tenant to the landlord, and at the same time it would authorise the bank to notify the credit agencies that the payment has been made. That would cut out the cumbersome middleman procedure established by CreditLadder. It would also ensure that the payment was made directly by the tenant to the landlord, obviating concerns about financial regulation, and it would retain the link between the landlord and the tenant. I urge the Government to work with credit reference agencies, the banks and indeed the RLA, with a view to developing such a form.

I also invite the Government to work with the credit reference agencies to develop a web portal to enable individual landlords to register rental data. There would be every incentive for landlords to do so, given that in due course they would be interested in establishing the creditworthiness of future tenants, who might have reported via the same means.

This debate has highlighted a significant concern among a large section of the population who have reasonable aspirations to develop an improved credit history and ultimately obtain a mortgage on their own home. The Government were entirely right in their response to the petition to say that decisions about the availability of individual mortgage loans remain commercial decisions for lenders; of course that is the case. However, the Government would do a significant service to a large section of the public if they worked with the banks, credit reference agencies and landlords to encourage a new comprehensive method of recording rental payments, which would be of huge benefit to landlords, tenants and mortgage lenders alike.

5.2 pm

Martin Whitfield (East Lothian) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone, and I compliment the hon. Member for Sutton and Cheam (Paul Scully) on obtaining a debate on this petition. I also compliment the 147,307 people who signed it, including 145 people from my constituency of East Lothian. It is a timely petition that was curtailed by the arrival of the general election, so it would be interesting to see how many people would have signed it if it had flowed its entire length.

We are all aware that the financial crash, and indeed the role in the crash of reckless lending on housing in other countries, led to this problem. We are also aware that lenders sought security and safety in the securitisation of those loans, so they did not feel the risk of lending to high-risk borrowers. The result for people today is a tightening in the rules of borrowing and the imposition of affordability tests for mortgages. The link between a poor credit history and an inability to pay a mortgage was made, and in many people's eyes it has been strongly established.

That brings us to credit reference agencies, which sit at the heart of this problem. We have already heard in a number of speeches about the need for a credit history in order to borrow a mortgage, which is a credit in its own right. In calculating the scoring, the credit reference agencies do not, by and large, take into account rental

payments, and therein lies the problem. We have just heard imaginative ideas about how that can be put right, and it is important that we consider them, because the failing, which those who signed the petition are pointing to, is one of removal of choice from individuals.

If we go back a number of generations, the bank manager would have known the person to whom the money was being lent. As we moved forward, that role moved to the assistant bank manager and the lending manager. The process is now controlled by algorithms. Forms are filled in online, or filled in on paper and transferred online, and the decision about whether someone can have a mortgage rests with the algorithmic decision on their credit rating, on any court action and on any previous history that is registered up in the cloud.

The lack of individual input into that process means that many people with a long history of paying rent on time and in full are unable to take advantage of the financial sense that they have demonstrated, perhaps even over decades. We need a system that reintroduces an individual into the process, so that they can look at it. Paying rent is not a credit, but in the mortgage affordability test the payment of rent—weekly, monthly or quarterly—over a long period of time shows that the individual can afford that rent.

There are questions about whether or not prices rise, and about whether or not something catastrophic happens to the house someone is in, so that suddenly the roof needs repairing. However, many people who rent have taken out insurance for their possessions against theft, so to suggest automatically and across the board that those people who have paid their rent are unable to encompass the budgeting needed for a mortgage is a fallacy.

In addressing this matter, we need to reintroduce individual case assessment. It is not beyond the wit of credit reference agencies and mortgage lenders to do that, and they should examine that suggestion. The imaginative ideas that have been proposed can be looked at and developed. However, to write off many people who have such consistent evidence of being able to afford a mortgage, simply because the element of rent is not credit, is disingenuous. I would be grateful to the Minister if he addressed that.

5.6 pm

James Cartlidge (South Suffolk) (Con): It is a pleasure to serve under your chairmanship, Mr Hollobone; I think it is for the first time.

I congratulate my hon. Friend the Member for Sutton and Cheam (Paul Scully) on responding to the petition, which is on a very important subject, and I also congratulate other hon. Members who have spoken.

I need to declare my interests, as recorded in the Register of Members' Financial Interests. I still have an interest in a company that brokers mortgages; I was a mortgage broker myself, and I hold the mortgage advice qualification, although I certainly do not practise day to day any more.

My immediate reaction to the proposition in the petition is, as others have done, to express my sympathy to those people who have signed it, and my understanding of their huge frustration at being unable to get on the property ladder and achieve their aspiration, which most of us in this Chamber have probably achieved and which previous generations have perhaps taken for granted,

[James Cartlidge]

namely to own a home—their first home—so they can build a life for themselves. Indeed, we can have huge sympathy with the person who says they have paid £70,000 in rent.

My first point, based on my experience, is that rent payments are taken into account. We must distinguish between the initial decision in principle on application, which is normally automated and credit-scored, and further underwriting on a full application. If I want to have a rough sense of what I can borrow, I might get an agreement in principle from my bank for a certain amount. If I then find a property, have an offer for it accepted and go through the full application, as it is called, in my experience it is very rare, particularly if someone is a first-time buyer, that applicants would not have to provide bank statements. That was happening in 2004, when I started as a broker, and the main thing that underwriters are looking for on a bank statement is the consistent monthly payment of rent.

It is true that underwriters look at other things, and it is possible to tell a lot from a bank statement. I remember that before mortgages were heavily tightened up after the crunch—quite rightly so—underwriters would come back and say, “Can you ask them what these payments are?” and it would be discovered that they were for a debt that was not recorded on their credit reference, for example a debt from a casino. I am afraid that such a case would be declined.

As the hon. Member for East Lothian (Martin Whitfield) said, we do not have in-branch underwriting, typically; those days are gone. However, I think there is—and there should be—still a lot of manual underwriting on first-time buyer cases. The other point to make is that it has to be said clearly that someone paying their rent on time is not enough, because of other factors that may be in the background. Someone may pay their rent but be behind on paying off their credit card or in paying a utility bill.

The House of Commons Library briefing states that the Financial Services Authority—now the Financial Conduct Authority—conducted a

“detailed study into the predictive ability of applicants with poor credit history and found it to be a significant predictor and hence determinant of lending decisions: ‘Our findings show that the dominant characteristic present in all of the highest-risk lending combinations is whether the borrower has an impaired credit history.’”

If someone pays their rent, does not have bad credit and is on the electoral role—important for the credit score—they will probably get an agreement in principle. They will then go to a full application and their bank statements and so on will be assessed and the person who has the county court judgments and the defaults will, of course, be declined at that point, which is absolutely right.

I have mixed feelings about the exact call of the petition, but I have considerable sympathy with it and think that it presents a really good opportunity. I want to make a few points on the wider issue of mortgage availability. This month I received a copy of *IFA Magazine*, the main article of which is called, “Never Say Never Again”. That is a reference not to the “Thunderball” remake but to the possible re-emergence of sub-prime lending, which is a very serious issue. I quote Michael Wilson, who wrote the article:

“Quietly, almost surreptitiously, ‘impaired credit’ mortgages are coming back into the game—it’s just that you don’t see them

advertised by the big players. Instead, alternative banks and pseudo-banks such as Masthaven or Pepper Homeloans or Magellan or Bluestone or Kensington Mortgages...are offering carefully risk-graded home loans to people who’ve had anything from a missed phone contract payment to a County Court Judgment.”

I remember, back in the days before the crash, the availability of sub-prime mortgages. There was an entire menu of grades of what were called adverse mortgages: light adverse, medium adverse and heavy adverse. Heavy adverse is, basically, “Do you have a pulse?” That was what it was like in those days. Extraordinarily, people who had bad credit, stretched affordability and a low deposit, wanting an interest-only deal, could get a mortgage, often even at a relatively competitive rate. The Government, through the regulator and the prudential authorities, should be extremely cautious about any return to that sort of risky lending to people who have failed to pay significant credit. Of course, there will always be discretion on relatively minor credit misdemeanours and so on.

We must think about greater access for, for example, the self-employed. I was on the Work and Pensions Committee before the election, and we had an investigation into the rise of the gig economy and a new breed of worker—they are called “workers”, with a capital “w”—who are self-employed but work very regular shifts and arguably have all the characteristics of employees but no employment contract. In my view, there have been abuses, because such workers do not get the security an employee would expect. In those cases, there is an argument that lenders should have much more discretion and we should not automatically say, as is usually the case with the self-employed, “Well, if you don’t have three years’ accounts, sorry, you can’t get a mortgage”. The world of work is changing, and lending needs to change with it.

The other issue, which I think will become even more important and on which we will get more correspondence, is lending into retirement. That is not necessarily lending to people who have retired; it is the opposite. If someone applies for their first mortgage at 50, as people do at the moment and will be doing more in the future, to defray the costs somewhat they might want a 30-year term. However, that would take them to 80, which is currently simply not be possible. Lenders would refuse outright to do that in almost any situation—even if someone had a gilt-edged pension agreed. We need to consider whether that is reasonable, given that we are going to be living longer and have a much higher statutory retirement age. Although we should always be as prudent as possible with lending, it is perfectly in order that someone, particularly someone younger, takes a longer term, perhaps even 40 years. For a 25-year-old, a 40-year term up to 65 on a capital repayment basis is perfectly sensible, obviously subject to all the other criteria being met.

Regarding lending in retirement, I went to a fringe event at a conference two years ago and the lenders were already thinking about people who have retired on good incomes. They might be 30 years from death and want access to credit. That will become a growing issue.

The point I most want to make, and about which I feel most strongly, is buy to let. My first speech as an MP, after my maiden speech, was on buy to let, and I said that we should consider things like a stamp duty surcharge and a tax on the interest relief. To my surprise, the previous Chancellor had the courage to introduce those measures—they are not exactly popular with some

Conservative voters. We have mentioned the person who paid £70,000 in rent: they are paying a mortgage, just not their mortgage. They are almost certainly paying the landlord's buy-to-let mortgage.

I have been to many events with buy-to-let landlords and defended these issues. I have nothing against those who invest in property. On the contrary, with the pensions system as it has been, it is understandable that people should invest, as their pension, in what they see as the safest asset, particularly when it has reliable rent income. However, it remains scandalous that a first-time buyer can only get a capital repayment mortgage, which is absolutely right—if someone takes out a debt they repay that debt, it is as simple as that—but it is still possible, almost as the default, to take out an interest-only mortgage for a buy to let. The criteria have tightened, but that issue is so significant because to calculate whether someone can obtain a buy-to-let mortgage, the key issue is coverage, which is that the rent covers the mortgage by, for example, 125%. That criterion will be met far more easily with an interest-only mortgage than a capital repayment one.

In my view, the bubble we built up in the property market would not have happened to the same degree if we had insisted on capital repayment, because far fewer landlords would have passed the test, prices would not have risen so steeply and some of the measures we have had to pass to calm the buy-to-let market might not even have been necessary. It beggars belief that we expect first-time buyers to repay the capital—as they should—but not landlords, who may own many properties.

We must remember that there is a moral issue here. When the banks crashed on the back of their own irresponsibility, the bail-out was funded by a national debt that is held by everyone. The property values of all those who own property, ultimately, were bailed out. The bail-out kept the bubble growing, in fact. If it had not been for the bail-out, we would have had an extremely deep recession, so it was the right thing to do, but we must recognise that it maintained the values of large portfolios—of all those who own property—but it is a cost borne by everyone, whether they rent or pay a mortgage. We therefore have a moral duty to try to find the best ways to encourage access to the property market and to overcome those problems, but we must not do that by returning to bad ways and ditching prudence.

5.17 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Hollobone. It is a privilege to follow the hon. Member for South Suffolk (James Cartledge), who speaks so knowledgably about the subject, and it is a pleasure also that the debate has been introduced by the hon. Member for Sutton and Cheam (Paul Scully).

As a proud janner, I am pleased that the debate has been called by someone from Plymouth. Jamie Pogson is a Plympton resident, and it is good to see that angry janners who want to change the world can get out and, as he describes it in the *Plymouth Herald*, “have a rant” one morning and potentially change our housing system.

It is worth looking at the housing crisis, not only nationwide but in the far south-west and in Plymouth in particular. The crisis is such that in Plymouth the number of people living in the private rented sector is double the national average—32% compared with roughly

16% nationally. Some 22,000 people own their own home in the constituency I represent—just next door to where Mr Pogson lives—and that is 15% lower than the national average, and nearly 20% lower than the south-west average. I can understand why, therefore, Plymouth, Sutton and Devonport, South West Devon and Plymouth, Moor View are the top three constituencies for signatures to the petition. A real housing crisis is being felt in the far south-west, in an area where wages are low.

The aspiration that I think all hon. Members share—to encourage home ownership, to encourage people to invest wisely in their future and to provide a base for their family—can be acutely felt in communities such as the one I represent. With the current housing crisis, I think there is an agreed position that we need more affordable homes to buy, that we need affordable homes to rent, and that we need to create more of a market of part buy part let, which is especially important in helping people on low incomes to secure a stake in a property. They can build up that stake over time and use it as collateral to move further up the housing ladder, which is absolutely essential.

In some of the media coverage that surrounds this debate, Mr Pogson himself has picked up the points made by the previous speakers in relation to how the credit reference agencies work. Will the Minister look at whether the Treasury could provide greater encouragement to credit reference agencies and financial institutions to look at innovative solutions that could be added to the mix? The long-term benefits of people being able to take their rental record into account in purchasing a property are good not only for the economy and those individuals, but for the industry. A gentle nudge to encourage that sector could be looked at in particular.

In the *Plymouth Herald* article about Mr Pogson's petition reaching 100,000 signatures after only three days, he spoke about his view of the system, and it might be worth reflecting on that. He said:

“Unless you're getting handouts, wealthy or in receipt of inheritance it's almost impossible”—

to buy a home—

“I want to really make a stand with this. The system is beyond a joke.”

It is certainly true that there have been improvements in the system. Initiatives from this Government, the coalition Government and the Labour Government have assisted at the edges, but there is still much more to do.

I would like to think that an angry janner getting out of bed one day and wanting to change the world could produce a situation where thousands of people who are renting at the moment might be able to buy a house—all because of Jamie Pogson tabling that petition.

This debate shows the value of this House listening to those who sign petitions. I have just tabled a petition on saving amphibious warships that has reached 3,000 signatures after only a few days. Those are 3,000 signatures on an issue that affects the three Plymouth constituencies, and that is a sign of just how powerfully felt such issues are, not only in Plymouth but across the country.

5.21 pm

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I appreciate the work of the Petitions Committee and the hon. Member for Sutton and Cheam (Paul Scully) in particular in bringing this debate to Parliament. As a

[Kirsty Blackman]

number of Members have said, this debate is important, and its tone chimes with the concerns a number of the constituents who come through my door and the people who talk to me have expressed about the housing market, so this debate was a good one to bring to Westminster Hall.

I will begin by discussing the issues facing young people in particular. The Chancellor has been making noises recently about trying to improve life for millennials—I hope he does—but I am concerned that he may think that the implementation of a railcard for under-30s will do it. I hope he will go much further, because a railcard will not cut it. A number of issues face millennials, who are people born between 1980 and 1995. They are up to 35 years old, although there are various definitions. In 2005-06, 24% of 25 to 34-year-olds were privately renting. That figure has now risen to 46%. In 2016, 59% of the households headed by millennials were privately renting.

The private rental market is expensive, which particularly hits young people, especially when we consider that young people born between 1980 and 1985 are earning £40 less, once adjusted for inflation, than those born 30 years earlier. It is a significant issue that they are having to put so much of their income into privately renting and are unable to save as a result. People talk about how millennials just sit around and do not do any work, but they work as many hours as previous generations did, but for less money. That is a real concern, especially given their outgoings.

Issues to do with the private rental market affect younger people, but they also affect people of all ages. The gentleman who organised the petition said that he spent £70,000 of his income on rent, and that money has not gone to providing a roof over his head that will continue to be a roof over his head, because his landlord could decide that he no longer wants to rent that property out. That generation do not have the security that previous generations may have had. In social renting, properties are much cheaper to rent than in the private rental market and people have a much better guarantee that they will be able to stay for the long term.

I have highlighted the specific problem facing millennials, but I want to raise a number of other issues. I read an interesting piece the other day about how it is not good to save at the moment. If someone puts their money in the bank, it shrinks simply because it is in the bank and interest rates are lower than inflation. It is difficult for people of any age to save, because their money will not make money. If someone wants a deposit for a mortgage, they have to have a chunk of cash, and they need more than they used to need, because the money will depreciate while it is in the bank. That is a real concern.

Another factor preventing people from building a deposit is low wages. There has been a real lack of wage growth. If we compare the position for non-retired households before the financial crash with their position now, such households are not earning more in wages than they were a decade ago. For folk trying to build up enough savings for a deposit, that is a major problem. There are a number of problems with how the mortgage market works and with access to mortgages. For a start, people need savings. I know that there are Help to Buy schemes. When we bought our house in 2009, we did it on a shared equity scheme, which was incredibly helpful. It was a developer-run scheme, rather than one run by

any Government. It was very useful; it was the only way we could get on the property ladder in 2009, because we did not have enough savings. Those schemes do not operate across the board and not everyone has access to them. Young people in particular cannot access them all very easily.

I am pleased that Help to Buy schemes have been put in place by the UK Government and the Scottish Government. The Scottish Government have introduced a Help to Buy scheme with open market access to shared equity. The scheme is not just for new properties; it allows people to buy a property that is a bit older. It allows people on median incomes—not necessarily the poorest incomes—to access the housing market. Such schemes have been successful in Scotland and have had a positive effect in helping people to secure a house that is not necessarily new. Older houses may have more of a buying history, so they can be a safer bet because people have a better idea of whether the house value will depreciate in the near future, unlike with new houses, where people do not know whether they have been priced correctly.

The Scottish Government have done a number of positive things. Through their Help to Buy schemes, 23,000 households have been helped into home ownership since 2007. The open market shared equity scheme has received £70 million this year from the Scottish Government, so it is hugely positive. We will deliver at least 50,000 affordable homes in Scotland by 2021, and that policy has been backed by £3 billion.

One of the most important things the Scottish Government have done in the past decade is change the attitude to social housing in Scotland. We have taken a different tack from the UK Government. We have increased significantly the amount of social housing builds and have reduced the ability of people to buy their social house. I understand that the Conservative Government do not necessarily agree with that, but it means that we have been able to begin to build our socially rented sector back up. That has meant that more people are socially renting, and they have the ability to build up their savings pot as they are not paying unaffordable private rents. That is what my family did. We were in a socially rented multi-storey block and we were able to build up some money for legal fees and others things when we bought a property. Even if someone does not have enough for a deposit but can get involved in a shared equity scheme, they still need some money to put towards the fees. Those things are hugely positive, and the move towards more social housing in Scotland is a very good thing.

On the issue of creditworthiness, the hon. Member for Sutton and Cheam mentioned the Rental Exchange scheme by *The Big Issue* and Lord Bird, which is a genius idea. I cannot believe people did not think of it sooner, because it is a great way to ensure that social rent payments in particular are taken as evidence of creditworthiness. Evidence of creditworthiness is a real issue that has been touched upon by several Members. Having no credit score, or a low credit score, does not mean someone cannot afford to pay a mortgage. It simply means they have not built up a credit score. Peers of mine, for example, have had to take out a credit card to build up a credit score. We do not want people having to take on debt simply so they can get a credit score in order to get a mortgage in future. There are better ways to do that. The Rental Exchange scheme is brilliant,

working with people on the lowest incomes, particularly those in social housing. It would be nice if even more social housing providers got involved in that scheme and it were widened out so that it can be accessed by more people, because it is hugely positive.

Other things around creditworthiness and the way that credit scores work are a significant problem. One Member mentioned the poverty premium and the additional amount of money that people have to pay as a result simply of having a lower income and lower savings. If someone wants to get a loan, they go to various websites to see how much they can get. All the websites provide an indicative rate, which is probably not what someone will actually get because the bank or institution will then offer something that it decides is the most appropriate thing.

To get a quote for an actual rate, the bank needs to do a credit check, which impacts on someone's credit score, making it more difficult for them to shop around. The people on the very lowest incomes cannot go to three different banks and get three different quotes and then three different percentages for the £2,000 that they want to borrow to buy a new dishwasher, washing machine or whatever it is that they need, because that will have an impact on their credit score. There is an issue with the way in which credit rating agencies work because of the need for the credit assessments to have an impact on the score. In fact, it impacts most negatively on the people who most need assistance with finance and who could do with having a better rate because they do not have the ability to shop around. I know that is slightly off-topic, but I wanted to raise the issue in the context of creditworthiness.

I feel the frustration of the gentleman who started the petition, as do the 140,000-odd individuals who signed it, as well as thousands and thousands of people across the UK. If we look at the people who are young, who are around my age and who are millennials, I know many who have come to the conclusion that they will never be able to afford to buy a house. It will simply never happen because they will never have the money to do so.

If private rentals were more secure and affordable, there would be less of a problem but, because private rentals are insecure and rents are sometimes sky high and people have to pay a huge amount of their income on rent, there is a problem. People cannot even aspire to own their own home. Young people are criticised for spending too much money on coffee, and we regularly see a meme doing the rounds on Twitter: "We're buying all the £3 coffees, because you've got all the £3 houses." That sums up the frustration felt by young people. I am not saying that people who cannot afford mortgages should get mortgages, but we must help the people who can afford mortgages but who do not have the creditworthiness.

Wera Hobhouse (Bath) (LD): The issue is not about encouraging debt, but about greater inclusion and affordability for young people, or for anybody caught up in this vicious circle of very high rents and squeezed budgets, which means they cannot save for deposits.

Kirsty Blackman: I absolutely agree with that point. In fact, some of the case I have been making is about the very opposite of encouraging debt. I want people to build up a more positive credit score without having to take out a credit card and make payments, because

for some people that might be too much temptation. Positive moves could be made by the Government and credit ratings agencies to ensure that more people can get access to the finance that they need and can afford, rather than finance that is out of their reach.

5.34 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): It is always a pleasure to see you in the Chair, Mr Hollobone. It has been a particular pleasure to listen to this debate. I congratulate the hon. Member for Sutton and Cheam (Paul Scully) on presenting the e-petition this afternoon and I congratulate all of the people who were able to sign it and put their views on the record.

Being able to respond to this debate as the shadow Economic Secretary is a pleasure. It is one of the best portfolios in politics because the issues that the Minister and I cover are interesting and important. It is a portfolio where we learn things. Also, it is the best because of the fact that the UK is the world's leading financial centre. It is a pleasure to interact with that, to learn more about its dynamism and to see the advantages that that brings to the UK.

This debate brings us to one of the central issues that we should discuss more in this country. How can we combine being the world's leading global financial centre with a situation in which so many of the people of this country, so many of our constituents, are financially excluded or marginalised, and where more than a million are unbanked? Crucially, how is it that, with this incredible dynamism that we possess, we have allowed a situation to occur where the poorer someone is, the more financially excluded they become? If I did not spend all of my time in the City listening to City institutions and their legitimate concerns about Brexit—I am sure that is true for the Minister, too—this is the agenda we could spend more time talking about. It is a personal issue for me. My mum worked for Provident, the noted door-to-door lender. I spent much of my childhood learning about credit and creditworthiness, how people need access to credit and where they get it from. It should be a much greater priority for our debates in the House. It is certainly right to start the debate with a discussion about how it impacts on the housing market.

The hon. Member for Sutton and Cheam said we have a broken housing market, and I certainly second that; so many of the country's problems come from that dysfunctional market. As the hon. Gentleman said, a lack of supply is at the heart of the problem, but we need to be pragmatic and recognise that the private sector alone cannot build sufficient homes. The operation of right to buy without replacement is a problem. I support right to buy because I want working class people to own their own homes, but clearly we have to replace the units that we lose with like for like, and we have never done that. We have a poor planning framework that hands far too much power to developers. Frankly, we have to blame ourselves. There is a lack of courage in political discourse when it comes to things such as new towns and tackling the green belt. We have failed to remediate brownfield land. There is a lot of blame to go round for all of us to share.

The problems of the housing market are extreme. They defeat benefit reform, hamper labour mobility and ruin lives. Through some of the churches I am involved in, I am aware of families less than a mile from this

[Jonathan Reynolds]

building made up of couples and four or five children who are living in one room. Clearly, that is not a situation that any of us should be happy or satisfied with, so I particularly welcome the chance to respond to this debate and to the sentiment that has been expressed so warmly by all Members today.

There are 11 million renters in the UK, and that number is growing. A large rented sector is not necessarily a bad thing. Germany, for instance, has a well-functioning, well-regulated private rented sector, but we get the worst of all worlds. We have a very large private rented sector, but without the secure regulatory environment to protect the tenants in it. Britain's renters deserve fair access to credit and much better access to the housing market. As has been said, up to 80% of renters have seen their credit rating rise when they have been able to include their rental payments in their credit score. Crucially, it has added a digital footprint, which is so important these days, for many people who simply did not have one before.

My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) talked about ground rents and leasehold reform. I am firmly in agreement with him. It is a particular problem in the north-west of England, where I have used the phrase "legalised extortion" at times, because I am not able to see what service is being offered for many of the huge payments now levied on people through the leaseholds they signed up to. That will stop the housing market functioning effectively, because no one will want to take on such a liability when they realise the scale of it. The right hon. Member for Clwyd West (Mr Jones) gave support in principle, but said that there are some complexities. He was absolutely right to talk about the CreditLadder system, but fundamentally I think he was saying that there is a role for the Government in trying to solve this problem, which is very welcome.

My hon. Friend the Member for East Lothian (Martin Whitfield) rightly talked about past personal relationships. A Conservative member of the Treasury Committee recently told me that when he was a student his bank manager not only wrote to him to warn him about his spending, but copied the letter to his father as well. I am not sure that any of us present today, even at our ages, would wish for that to happen. His point was that there has to be an individual assessment of a person's needs, outgoings, liabilities and expenditure.

The hon. Member for South Suffolk (James Cartledge) referred to his experience as a mortgage broker, which was very interesting, and said that many rental payments are already taken into account. I think we need to look at whether we can improve people's credit ratings more broadly with such initiatives. I thought that his comments about the future of work, lending into retirement and buy-to-let were absolutely right. I will not give him any more praise or he will probably be accused of supporting Venezuelan-style socialism, which would not help his career at all, but I thought all his points were very well made.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Luke Pollard) talked about the impact of this issue on his constituents, 32% of whom are in the private rented sector. Clearly, if a third of his constituents are in a poorly regulated form of tenure and are not getting the proper response that they need, that is a problem. He talked about how this e-petition could

make a difference and managed to plug his own e-petition, which I thought was particularly skilful and well done.

The Scottish National party Front-Bench spokesperson, the hon. Member for Aberdeen North (Kirsty Blackman), made many points that I agree with. She talked about the impact on young people in particular. There is an under-remarked on phenomenon in that the burden of student debt, combined in most parts of the country with house prices that, in real terms, are up to three times what they would have been in the early '70s, and higher pension contributions, which are a necessity based on the demographic profile of the country, produce a difficult scenario for a lot of people. Older generations are perhaps not aware of the burden of that, and it makes the affordability of things such as housing scarcer still.

The hon. Member for Sutton and Cheam mentioned the Bill introduced by Lord Bird in the other place, which would essentially put the sentiment of this e-petition into law. I met Lord Bird recently and had a chat about the principles behind the Bill. If you will excuse the pun, Mr Hollobone, it is to his credit that he has tabled the Bill. Clearly, we would all like to see a concerted attempt to tackle the root causes of poverty in this country. There will be disagreements about aspects of Government policy that the Opposition would say have exacerbated some of those problems, but such popular cross-party consensus proposals can help us find a way forward.

There is so much more that we can do, not only on creditworthiness but on things such as using smart meters to end the poverty premium on gas and electricity, which we have talked about many times in the House. We still need further action on that. We have proposed initiatives such as capping the cost of credit card fees so that no one pays back more than double the principal sum that they borrowed. That is not writing off debt, but making it clear—as other countries have—that there has to be a framework that protects people in persistent debt so they are in a position to get through their problems eventually.

We should also have a much stronger focus on financial education in this country. Frankly, very few people really understand what an annual percentage rate is telling them. It looks frankly inevitable that the Monetary Policy Committee will put up interest rates, but a lot of people may be unaware of what that means for the debt that they have already taken out in mortgages.

When I talk to people in the City about some of that agenda, their eyes light up with passion. Clearly, there are a lot of people in this country with the expertise, passion and commitment to see progress on those things. We must talk not just about the effect of Brexit on financial services but about how we can use the expertise and skill of the people in this country, who hopefully will stay, to tackle some of these long-term problems.

I am absolutely happy to pledge in principle the support of the Opposition Front Bench for the kind of initiative that this e-petition suggests, and for Lord Bird's Bill, which seeks to put it into legislation. That seems a sensible way forward, and I hope we can all agree on it.

5.44 pm

The Economic Secretary to the Treasury (Stephen Barclay): It is a pleasure to serve under your chairmanship,

Mr Hollobone. I thank all those who signed the petition—more than 140,000 people did so—and Members from across the House for this good-natured and constructive debate. The petition shows the importance of debating these issues, which clearly resonate with many people. It is right that the House should consider them.

I thank my hon. Friend the Member for Sutton and Cheam (Paul Scully) for his very helpful suggestion of a market-based solution for fintech, and I am happy to discuss that with him further. I also had a very constructive meeting with Lord Bird, who has done a lot of important work in this area, and came forward with important suggestions. The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) also demonstrated a degree of cross-party consensus in terms of how we move forward on these issues.

To address directly the issue that the petition refers to—the extent to which paying rent should be evidence of affordability of a mortgage—it is important to note that affordability assessments are not just based on one factor. That is why mortgage affordability assessments include a requirement to assess possible changes to income. It is responsible for lenders to have a long-term perspective when making assessments.

Lenders can currently include payments of rent as a factor, but it is right to highlight that the Financial Conduct Authority independently makes those affordability assessments, or sets the terms relating to affordability for firms. My hon. Friend the Member for South Suffolk (James Cartlidge) drew on his professional experience and expertly explained that a wider suite of issues affects affordability—it is not just one's past ability to pay rent.

Let me address the issues that hon. Members raised during the debate. My hon. Friend the Member for Sutton and Cheam called for reform of stamp duty. He will be aware that we are very close to a Budget, so I will take that as a Budget submission; I am sure that was the spirit in which he offered it to the House. It is obviously important that we balance people's right to buy a second home or to buy to let against the impact that that has on other people's ability to get on to the property ladder. I think that was the point that he was making. He also mentioned supporting the Rental Exchange scheme, which has already lifted 4.2 million social housing tenants into better credit. I encourage housing associations to play a more active role in raising awareness of important schemes such as that.

The hon. Member for Poplar and Limehouse (Jim Fitzpatrick) raised, with great authority, the issue of ground rents. The Department for Communities and Local Government has published a consultation, as I am sure he knows, on that important subject. I assure him that the Treasury will take an active interest in the course of those discussions, but he can probably get a flavour of the Government's position from the comments of the Secretary of State for Communities and Local Government, who said that too many homebuyers are being exploited. That goes to the heart of the hon. Gentleman's concerns.

Jim Fitzpatrick: As a result of the Government's Help to Buy scheme, a lot of Government money—taxpayer's money—has gone into the pockets of developers, who are taking advantage of the good Government policies that encourage first-time buyers. They are taking that as

clear profit. I know that the Government are very interested in that, so I look forward to seeing what they do in the Budget.

Stephen Barclay: I am happy to alert the Housing Minister to the hon. Gentleman's concerns, but more than half the homes triggered by the policy are new, so Help to Buy has helped with the supply issue. I will raise that point with the relevant policy Minister.

My right hon. Friend the Member for Clwyd West (Mr Jones) asked why the Government are not solving the problem of including rental payments within credit scores through the standing order system. I encourage any stakeholders with views about how best to encourage rental payments within credit scores to write to me about that. Perhaps my right hon. Friend and I can have a further discussion about that point.

My hon. Friend the Member for South Suffolk said that credit scores are a good predictor of credit risk, and I agree. That is why capturing a history of payment on time in people's credit scores will help lenders make better decisions. My hon. Friend's point is very pertinent. He also mentioned the ability of self-employed people to get a mortgage. Mortgage regulation means that the self-certifying mortgages seen before the financial crisis are no longer available, and I think he and I would agree that that is a good thing. However, some lenders will accept relatively short payment histories—12 to 18-month periods—as evidence of income, which suggests constructive engagement on that point.

My hon. Friend also mentioned lending into retirement. There is no reason why older customers could not obtain a mortgage if they could demonstrate their ability to repay. The FCA continues to consider how the financial services sector can better work with older people through its ageing population strategy, which was published in September.

The hon. Member for Aberdeen North (Kirsty Blackman) raised the issue of the cost of living: people paying rent cannot save for a mortgage. The Government have clearly taken some measures in this space, such as the crackdown on payday loans, which was widely welcomed across the House. The FCA is reviewing the high cost of credit and the car finance markets, as well as issues such as persistent debt in the credit card market. There will be further updates in 2018.

The hon. Member for Bath (Wera Hobhouse) made an intervention about not encouraging debt. That emphasises the importance of the affordability assessments for mortgages being based on a holistic view of an individual's finances, which in a way goes to the heart of the point that drove the petition—one cannot look at rental payments; one needs to take a holistic view in order to address the point that she pertinently intervened on.

The shadow Economic Secretary, the hon. Member for Stalybridge and Hyde (Jonathan Reynolds), raised the issue of housing supply. We very much recognise the imperative of housing supply. That is why the Government launched our housing White Paper in February, which proposed an ambitious package of long-term reform: releasing more land for homes where people want to live; building the homes we need faster; getting more people building, and supporting those who need help to buy. A suite of measures in the White Paper already speaks to many of the issues to which he referred.

Those leasing their home face the challenge of saving for a deposit while paying rent. That was the tenor of

[Stephen Barclay]

much of what was raised by colleagues across the House, and the Government very much recognise that through policies with which Members will be familiar: the Help to Buy scheme, which has helped with in excess of 320,000 housing transactions, more than 270,000 of which were for first-time buyers; and the help to buy ISA and the lifetime ISA, which both top up savings for a deposit to buy a first home.

Helping individuals to save for a deposit, however, will not address the problem on its own. That is why the Government intervened through the Help to Buy mortgage guarantee scheme, to ensure that the mortgage market works for people who rely on high loan-to-value mortgages. The Government also committed an extra £10 billion to the Help to Buy equity loan scheme.

Fundamentally, however, we also recognise the need to build more homes. Since 2010 significant progress has been made, with almost 900,000 homes built, including 300,000 affordable ones. The White Paper sought to address that and to accelerate the pace at which homes, including affordable homes, are built.

Turning to the specifics of the petition, the Government agree that a history of paying rent on time is a factor that lenders can consider when assessing creditworthiness, but it is a factor alongside others—not the sole factor to take on board. It is important to stress that mortgage regulations do not prevent lenders from taking into account rent payment as one of the criteria on which to assess affordability.

I therefore want to outline some of the opportunities that exist for connecting housing associations and others with lenders—my hon. Friend the Member for Sutton and Cheam focused on that in his remarks—and how we encourage them all to work to build the profile of those who are renting and seeking to build their mortgage history. The diverse nature of the mortgage market means that prospective borrowers should shop around to take advantage of the variety of options that are available. It is also important to highlight the reforms that took place to prevent the poor lending practices seen before the crisis. Again pertinently, my hon. Friend the Member for South Suffolk highlighted that in his remarks—it is important for us to take on board the lessons of the financial crash of some time ago.

Today, to address such concerns, the banks are required to conduct a comprehensive examination of an individual's expenditure and income, and an interest rate stress test of that individual's ability to make repayments. I hope that is one of the measures that will satisfy the concerns expressed by my hon. Friend. Overall, the changes are designed to ensure that the problems of the past are not repeated, but that means that the bar for getting a mortgage can be higher.

My right hon. Friend the Member for Clwyd West mentioned opportunities for making better use of rental data in creditworthiness assessments. Options are available that allow renters to ensure that their rental history is captured in the information that credit reference agencies provide to lenders. That has the potential to improve the chances of someone getting a mortgage. He correctly cited the example of Experian and the potential for housing associations and credit reference agencies to work together to build more examples than the existing Experian one.

Part of the problem is that awareness of such schemes is low. The Government would like take-up to be increased and more ways to develop such models. I am happy to discuss the issue with my right hon. Friend. It is important to do things in a way that works with and builds on existing systems and processes, to avoid increasing costs for business and making it more expensive or difficult for people to access mortgages.

In the social housing sector, I want landlords to play a more active role in increasing awareness and take-up of the existing options. In the private rented sector, as well as the social housing sector, technology and innovation should be pivotal. The open banking changes, which will come into force in January 2018, will help to open up access to our data in a secure way, leading to all manner of innovations that will make it easier to build the creditworthiness models that have been discussed.

To conclude, although it is encouraging to see the number of mortgages granted to first-time buyers, now at the highest levels since the financial crisis, it is clear that many people still struggle to make the first step on to the housing ladder. Lenders and credit reference agencies being able to access data relating to a prospective borrower's history of paying rent will benefit both the borrower and the lender. There are already private sector solutions, some of which we have heard about in the debate. I am keen to look for ways to raise awareness of those, and to look at how we use open banking to open up further possibilities in future. We have had a very constructive debate and I look forward to having further discussions with Members in the coming weeks.

5.57 pm

Paul Scully: The debate today has been very constructive. I hope the petitioner realises that the fact that we have gone through it to reach agreement in about an hour and a half, rather than taking the full three hours, is no reflection on the importance we attach to the petition and the issue. I am sure that a lot of people were detained by listening not only to the Minister for Transport Legislation and Maritime on Second Reading of the Automated and Electric Vehicles Bill, but to the important statement made by the Prime Minister earlier.

We have had some great contributions. The hon. Member for Poplar and Limehouse (Jim Fitzpatrick) talked about the ground rent issue, and there has been some agreement on how we might make the system work. My hon. Friend the Member for South Suffolk (James Cartlidge) has a knowledgeable background, and that illustrates the need for a market-based solution to take into account all the things he said.

The hon. Member for Plymouth, Sutton and Devonport (Luke Pollard) mentioned a newspaper article and I did a quick search for it. Jamie Jack Pogson was talking about how surprised he was that the petition was so successful, and he was quoted as saying:

“It was only a little rant I was having first thing in the morning on the way to work.”

Frankly, I could have written that about my career path to this place. I hope that shows anyone who is thinking about starting a petition how they can change things—they can have a little rant, get out and do something about it.

That is the strength of the petition system. These debates are some of the most watched in Parliament. We look at Prime Minister's questions and all sorts of other things, but petition issues such as the one we are

discussing are the ones that people want us to raise. I therefore thank all my colleagues very much for a constructive debate, and I thank the Minister for the positive way in which he has responded. I know that he will take the issue away and consider a proper, long-term solution.

Question put and agreed to.

Resolved,

That this House has considered e-petition 186565 relating to eligibility for mortgages.

5.59 pm

Sitting adjourned.

Written Statements

Monday 23 October 2017

TREASURY

Infrastructure (Financial Assistance) Act 2012: Annual Report

The Exchequer Secretary to the Treasury (Andrew Jones): The annual report to Parliament under the Infrastructure (Financial Assistance) Act 2012 for the period 1 April 2016 to 31 March 2017 has today been laid before Parliament.

The report is prepared in line with the requirements set out in the Infrastructure (Financial Assistance) Act 2012 that the Government report annually to Parliament on the financial assistance given under the act.

Copies are available in the Vote Office and the Printed Paper Office.

[HCWS191]

DEFENCE

Franklin Wrecks

The Secretary of State for Defence (Sir Michael Fallon): I have today laid before Parliament a Ministry of Defence departmental minute detailing a gift which the UK intends to make to the Government of Canada. This reflects our long shared history and the closeness of our current bilateral relationship.

Sir John Franklin set sail from England in 1845 with two ships, HMS Erebus and HMS Terror, in search of a Northwest Passage through the Arctic. Sadly, the ships and all their crew were lost.

In 1992, the wrecks were designated as a national historic site by the Canadian Government under the Canadian Historic Sites and Monuments Act—despite neither shipwreck having been found at that time. This significant step was taken as a result of the ships' association with Franklin's final expedition, and their role in the history of exploration of Canada's north and the development of Canada as a nation.

Recognising the significance of these ships to the people of Canada, a Memorandum of Understanding (MOU) was signed between the UK and Canadian Governments in 1997 assigning custody and control of the wrecks along with their contents to the Government of Canada (Parks Canada) with certain conditions should they be discovered.

Many attempts were made over the years to locate the ships, but only artefacts were found. The ships remained undiscovered until September 2014 when an expedition led by Parks Canada discovered the wreck of HMS Erebus. In September 2016, HMS Terror was also found.

Both wrecks are under relatively shallow Arctic Waters to the south of King William Island. The expeditions that located them brought together the Government of Canada as well as public, private and non-profit organizations. The use of state-of-the-art technology combined with Inuit knowledge made these historic discoveries possible.

During her recent visit to Canada, the Prime Minister made clear the importance of recognising our shared past. As the wrecks are of great historical and cultural value to Canada and recognising the historical significance of the Franklin expedition to the people of Canada, the Government believe the 1997 MOU should be replaced with an appropriate updated MOU, giving full ownership of the wrecks to Parks Canada. It is intended that the new MOU will include a clause to allow the UK to retain ownership of a small representative sample of artefacts. This exceptional arrangement will ensure that these historically significant wrecks and artefacts are appropriately conserved and allow items to be displayed for future generations in both Canadian and United Kingdom museums.

The transfer of ownership is expected to be undertaken over the coming weeks, subject to completion of the departmental minute process.

[HCWS193]

HOME DEPARTMENT

G6 Meeting: Seville

The Secretary of State for the Home Department (Amber Rudd): My noble Friend, Baroness Williams of Trafford, has today made the following Written Ministerial Statement:

The informal G6 group of Interior Ministers held its most recent meeting in Seville on 15 and 16 October 2017. Representatives from Morocco and the European Commission also attended the meeting.

The summit was chaired by the Spanish Minister of the Interior, Juan Ignacio Zoido, and I represented the United Kingdom. The other participating states were represented by Mariusz Blaszczak (Minister of the Interior, Poland) and Jakub Skiba (Deputy Minister, Poland), Gérard Collomb (Minister of the Interior, France), and Dr Emily Haber (State Secretary, Germany). Morocco was represented by Interior Minister Abdelouafi Laftit. Italy was represented by their Ambassador to Spain. The European Commission was represented by Dimitris Avramopoulos (Commissioner for Migration, Home Affairs and Citizenship) and Sir Julian King (Commissioner for the Security Union).

Following an informal dinner on Sunday evening, the first session on migration took place on Monday 16 October. Attendees agreed that continued co-operation between countries of origin and those of destination is critical. The discussion covered lessons to learn from work on the central and eastern Mediterranean routes, including positive results from the action plan of the European Council, the EU-Turkey deal, and bilateral work with Libya, Morocco and Nigeria. There was general consensus that migratory pressure remains high, and that pressure from the sub-Saharan region will continue to rise. Participants considered how best to counter this pressure along three lines: legal migration; appropriate development assistance in areas of greatest need; and the fight against illegal migration. Discussion also touched on how the EU and Morocco can build on current successful co-operation to better manage migratory pressure from the sub-Saharan region on Morocco.

The final session focused on counter-terrorism. There was general consensus on the importance of enhancing information and intelligence exchange through channels such as Interpol and Europol, and to continue existing good co-operation in this area. Recent rulings on communications data retention were covered, and the potential challenges for law enforcement agencies that these implied were discussed. Discussion also covered ways to improve co-operation between all stakeholders to remove terrorist

related internet content and make the extremism counter-narrative more effective. Participants concluded with a discussion on radicalisation prevention processes, particularly among young people, agreeing on the benefits of exchanging experience and best practice with third countries.

In my interventions, I reaffirmed the UK's continuing commitment to help member states manage the EU's external borders and to deliver joint efforts upstream. I emphasised our support for EU actions in Africa and Asia that will impact on all Mediterranean routes, including faster allocation of EU funding for upstream projects and the new resettlement proposals to protect genuine refugees in first countries of asylum and reduce the need for secondary movement. During the session on counter-terrorism I highlighted the UK's work in this area, in particular on the Prevent programme and tackling terrorists' use of the internet. I encouraged attendees to ensure that proposed European Commission guidelines do not go further than necessary in placing unhelpful restrictions on member states' data retention regimes.

[HCWS190]

NORTHERN IRELAND

Security

The Secretary of State for Northern Ireland (James Brokenshire): This is the 11th written statement on the security situation in Northern Ireland since the Independent Monitoring Commission concluded its work in July 2011. It covers the threat from Northern Ireland-related terrorism, rather than from international terrorism, which Members will be aware is the responsibility of my right hon. Friend the Secretary of State for the Home Department, who updates the House separately.

In the 10 months since my last statement, a small number of dissident republican terrorist groupings have continued their campaign of violence. They have planned attacks to murder people who work on a daily basis to serve the public. The vast majority of people in Northern Ireland have consistently demonstrated, through the democratic process, their desire for peace. They reject these groups and want a future free from violence. They recognise and value the increase in foreign direct investment, the enhanced job opportunities and the reduction in the number of victims of terror that has come about as a result of the peace process. Despite this overwhelming support for peace, dissident republican terrorists continue in their pursuit of violence.

The threat from Northern Ireland-related terrorism in Northern Ireland remains "Severe" (an attack is highly likely). Dissident republican terrorist groups have continued to attack officers from the Police Service of Northern Ireland (PSNI), prison officers and members of the armed forces. There have been four attacks so far this year. In one sickening attack a police officer was shot at a busy petrol station in Belfast and sustained life changing injuries. These attacks, endanger the public and harm communities. In Great Britain, the threat from Northern Ireland-related terrorism is "Substantial" (an attack is a strong possibility).

Violent dissident republican terrorist groupings are fluid and they change regularly for a number of reasons. Firstly, the investigative effort of PSNI and MI5 have disrupted the activity of people and groupings who want to commit acts of terror in our community. Secondly, there is a desire for power amongst the individuals involved and this leads to fallouts and fractious relationships.

There will be no let-up in our efforts to pursue these small groups.

Our strategic response

As our Northern Ireland manifesto at the general election made clear, for this Government there are no greater responsibility than the safety and security of the people of Northern Ireland and the United Kingdom as a whole. To this end we are providing £160 million of additional ring-fenced funding to support the PSNI's work to tackle the Severe threat from terrorism during the current spending round, £25 million to tackle paramilitary activity; and a 30% real term increase in cross-Government spending on counter-terrorism.

MI5, which this month marks 10 years since it assumed responsibility from PSNI for national security intelligence, work in Northern Ireland continues to work hand in hand with PSNI, An Garda Síochána and other security partners in this task. Several dissident republican terrorist attacks have been prevented this year and PSNI have recovered a large amount of terrorist material—firearms, explosives and a range of improvised explosive devices—which has undoubtedly helped to keep communities safe.

In July, we saw the sentencing of Ciaran Maxwell, to 23 years in prison (the last five of which are to be served on license), for producing bombs and other munitions in Great Britain and Northern Ireland which were destined for use by dissident republican terrorist groups in Northern Ireland. I pay tribute to the police and other agencies in successfully bringing this case before the courts. This has undoubtedly saved lives and this significant jail sentence is an indication of the harm he posed.

As of 30 September 2017, in Northern Ireland, there have been 121 arrests and 6 individuals charged under the Terrorism Act this year. There have been four national security attacks, the same as the total number in 2016. This compares to a total of 16 attacks in 2015 and 40 in 2010. Although there has been a reduction in the number of national security incidents in recent years, terrorist attack planning continues with lethal intent and capability. Vigilance in the face of this continuing threat remains essential.

Tackling paramilitary activity

Paramilitary activity by both republican and loyalist paramilitary organisations, continues to be a blight on the communities in which they operate. So far this year there have been two paramilitary related deaths, 19 casualties of paramilitary style shootings and 57 casualties of paramilitary style assaults. Paramilitary activity was never justified in the past and cannot be justified today. These people target the most vulnerable members of their communities. The stark reality is that they are not helping but instead exerting control and fear over them. The perpetrators are criminals who use the cloak of paramilitary activity to line their own pockets and impoverish communities.

The Government are strongly supporting ongoing efforts to tackle the scourge of paramilitarism and organised crime in Northern Ireland. Through the Fresh Start agreement, of November 2015 we are providing £25 million over five years to support a Northern Ireland Executive programme of activity. This resource is being matched by the Executive, giving a total of £50 million

over five years—2016 to 2021. We are working closely with Executive Departments and their statutory partners to deliver commitments set out in the Executive's action plan on tackling paramilitary activity, criminality and organised crime, to rid society of all forms of paramilitary activity and groups. Progress on the implementation of the Executive action plan on tackling paramilitary activity, criminality and organised crime will be monitored by the independent reporting commission (IRC), which was established under the Fresh Start agreement and legally constituted in August. The IRC's overarching objective is to promote progress towards ending paramilitary activity, support long-term peace and stability and enable stable and inclusive devolved government in Northern Ireland.

Good progress has been made during the last year. Projects and interventions have been developed to provide mentoring support for young men; to promote lawfulness among young people; and to enable more women to become involved in community development work. An indictable cases process was implemented from May 2017 with the aim of speeding up the justice system in certain serious cases often linked to paramilitary groups. In addition to this, the PSNI has made significant progress with regard to the number of arrests and seizures from those involved in organised crime linked to paramilitary groups. It is now working with the National Crime Agency and HM Revenue & Customs through a co-located, dedicated paramilitary crime taskforce.

As of 26 September 2017, investigations have resulted in just under 100 arrests and 200 searches. Sixty-six people had been charged or reported to the Public Prosecution Service. Around £450,000 worth of criminal assets were seized or restrained including over £157,000 in cash. Drugs with an estimated street value of around £230,000, guns, ammunition and pipe bombs and other goods including a Range Rover and a number of mobile food stalls were all seized.

Conclusion

Significant progress have been made, but the Severe threat from violent dissident republican terrorist groups remains and we must be vigilant to this. There are still those who wish to murder public servants and commit acts of terror. Many people still live in fear of paramilitaries. Through the excellent work of PSNI, MI5 and security partners including An Garda Síochána, we will continue to bring those who seek to cause harm in our society to justice. I would like to thank everyone who works to protect the public for their ongoing service. There never has been, and there never will be, any place for terrorism or paramilitary activity in Northern Ireland. We all must play our part in helping to rid Northern Ireland of this blight on our society, so that we can continue to build a brighter, more prosperous future and a stronger Northern Ireland for everyone.

[HCWS189]

WOMEN AND EQUALITIES

Equalities

The Minister for Women and Equalities (Justine Greening):

On 29 June I informed the House that women normally resident in Northern Ireland would no longer be charged for abortions received in England. Since the date of the announcement, the three main providers of abortions in England have not been charging residents of Northern Ireland. I am grateful to them and we will be reimbursing them for these services. We have now developed our ongoing plans for delivering this commitment, and I am pleased to update you on the arrangements.

We intend that women from Northern Ireland will access the service through existing providers of abortions in England, in the same way that women in England do. We have invited providers of abortions in England to apply for funding to extend their service provision to women from Northern Ireland. The funding will be accessed via a grant scheme that will be administered by the Department of Health. The cost of this service will be met by the Government Equalities Office with additional funding provided by HM Treasury. A small number of procedures will continue to be provided through the NHS where this is necessary for medical reasons. NHS providers will also be reimbursed by the Department of Health.

Women from Northern Ireland seeking medical support in England will be eligible for:

- A consultation with an abortion provider in England, including an assessment of whether the legal grounds for an abortion are met;
- the abortion procedure;
- HIV or sexually transmitted infection testing as appropriate;
- an offer of contraception from the abortion provider; and
- Support with travel costs if the woman meets financial hardship criteria.

This is comparable with the service that women in England receive. We are establishing a central booking service that will be run by one of the providers who will be selected as part of the grant award process.

The central booking service will simplify the process for women who choose to access these services. It means that women from Northern Ireland will have a single telephone number to call and an appointment will be made with the most appropriate provider, based on the woman's requirements, her medical condition and the availability of the providers. The central booking service will be operational before the end of the year. In the meantime women from Northern Ireland will continue to make their own arrangements with the providers, but will not be charged.

My original statement was clear this does not change the position in relation to the provision of abortions in Northern Ireland, which is a matter for the Northern Ireland Executive and the Northern Ireland Assembly. That remains the case. Our proposals do not include the provision of any services in Northern Ireland.

[HCWS192]

ORAL ANSWERS

Monday 23 October 2017

	<i>Col. No.</i>		<i>Col. No.</i>
DEFENCE	1	DEFENCE—continued	
Amphibious Ships.....	15	HMS Queen Elizabeth	12
Armed Forces: Mental Health	13	Leaving the EU: Defence Co-operation	1
Armed Forces: Pay.....	12	Leaving the EU: Defence Spending.....	17
Army Personnel	10	Shipbuilding/Type 31e Frigate.....	7
Daesh.....	9	Strategic Defence and Security Review	6
Defence Funding.....	4	Topical Questions	17
Former Armed Forces Personnel	16		

WRITTEN STATEMENTS

Monday 23 October 2017

	<i>Col. No.</i>		<i>Col. No.</i>
DEFENCE	1WS	TREASURY	1WS
Franklin Wrecks.....	1WS	Infrastructure (Financial Assistance) Act 2012: Annual Report.....	1WS
HOME DEPARTMENT	2WS		
G6 Meeting: Seville.....	2WS		
NORTHERN IRELAND	3WS	WOMEN AND EQUALITIES	6WS
Security.....	3WS	Equalities	6WS

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansard - not telephoned - and *must be received in the Editor's Room, House of Commons,*

**not later than
Monday 30 October 2017**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF BOUND VOLUMES

Members may obtain excerpts of their speeches from the Official Report (within one month from the date of publication), by applying to the Editor of the Official Report, House of Commons.

CONTENTS

Monday 23 October 2017

List of Government and Principal Officers of the House

Oral Answers to Questions [Col. 1] [see index inside back page]
Secretary of State for Defence

European Council [Col. 23]
Statement—(Prime Minister)

Universal Credit Roll-out [Col. 59]
Application for emergency debate under Standing Order No. 24

Automated and Electric Vehicles Bill [Col. 60]
Motion for Second Reading—(Mr Hayes)—agreed to
Programme motion—(Rebecca Harris)—on a Division, agreed to

Healthcare: North Staffordshire [Col. 127]
Debate on motion for Adjournment

Westminster Hall
Mortgages: Eligibility [Col. 1WH]
General Debate

Written Statements [Col. 1WS]

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