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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 13 September 2016

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

HABERDASHERS' ASKE'S CHARITY BILL [*LORDS*]

Bill read the Third time and passed, without amendment.

Speaker's Statement

Mr Speaker: I must inform the House that I have today received notification from the Chair of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), of his wish to resign from the Chair. In accordance with Standing Order No. 122C, I therefore declare that the Chair of the Home Affairs Committee is vacant. I shall announce the arrangements for the election to this post, alongside the elections for the vacant Chairs of the Culture, Media and Sport and Science and Technology Committees, and any other new Chairs to be created as a result of recent changes in the machinery of government, as soon as practicable. I hope that it will be possible to hold those elections very soon after the House returns in October.

Oral Answers to Questions

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

The Secretary of State was asked—

EU Referendum: Discussions with Business

1. **Ben Howlett** (Bath) (Con): What steps his Department has taken to engage with British businesses since the EU referendum. [906274]

10. **Kelly Tolhurst** (Rochester and Strood) (Con): What steps his Department has taken to engage with British businesses since the EU referendum. [906283]

13. **Caroline Ansell** (Eastbourne) (Con): What steps his Department has taken to engage with British businesses since the EU referendum. [906286]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): Since I was appointed on 14 July, my colleagues and I have during the summer met businesses, investors, workers and local leaders in all four home nations, as well as travelling to India and Japan. Furthermore, and for the first time, each local enterprise partnership area and each of the devolved Administrations will have a specific Minister in my Department assigned to them. Personal relationships matter in business, and that should start with the Business Department.

Ben Howlett: I thank the Secretary of State for his answer, and I welcome the whole team to the new Department. The aerospace industry is absolutely vital to the west of England economy not just for jobs, but for growth. Will the Secretary of State work with me to ensure that the entire aerospace industry receives the support it requires and deserves?

Greg Clark: I certainly will do that. One of the biggest privileges of this job is to be reunited with aerospace; I got to know the sector when I was Science Minister. In fact, my first ministerial meeting was to have breakfast with the aerospace growth partnership at the Farnborough airshow, where I ran into my hon. Friend the Member for Aldershot (Sir Gerald Howarth). The west of England was very well represented there. For example, Katherine Bennett of Airbus, whom I am sure my hon. Friend the Member for Bath (Ben Howlett) knows well, one of the founder board members of the West of England LEP, was there. This is a very important sector for the economy, and it will have my wholehearted support.

Kelly Tolhurst: I, too, welcome the new ministerial team. I have a number of correspondents in a few local—predominantly small—businesses in Rochester and Strood who have been trading with European partners over a long period, but whose supply chain costs have recently risen. Will my right hon. Friend outline his commitment to supporting our small businesses in our new relationship with Europe, to ensure that local and regional economies continue to grow?

Greg Clark: I will, indeed. I know many of the small businesses in my hon. Friend's constituency. Of course, through the British Business Bank, we have made over £3 billion available to smaller businesses. She will know that, from next April, small business rate relief will double permanently, which will benefit 60,000 small businesses. This is part of our continuing commitment to small business, which is the motor of the bigger businesses that, together with small businesses, generate so many jobs in our economy.

Caroline Ansell: My home constituency of Eastbourne and Willingdon is a long-established, beautiful seaside destination, with big future ambitions, including for a new hot air balloon festival in 2017. Tourism is the lifeblood of my town, and I am delighted to be welcoming the Eastbourne Hospitality Association to Parliament today. Will the Secretary of State tell me whether he has had discussions with the tourism industry about reducing the level of VAT on tourism services, to bring us into line with competitor destinations in the EU, and to give our industry a competitive platform from which it can stimulate investment, create jobs, deliver growth and take full advantage of the opportunities in life after Brexit?

Greg Clark: My hon. Friend is a big campaigner for the tourism industry. I welcome her visitors today, as I am sure the whole House does. We have the highest VAT threshold in the European Union, so many small businesses do not need to charge VAT. But I will continue discussions with her—the hot air balloon festival sounds

a very tempting excursion, perhaps for many Members. I look forward to continuing these discussions with her and her colleagues.

Derek Twigg (Halton) (Lab): Does the Secretary of State agree with his right hon. Friend the Member for North Somerset (Dr Fox) that British business people are fat, overweight and spend too much time on the golf course? [*Interruption.*] And lazy.

Greg Clark: I have yet to meet a lazy business person, starting with my own father, who was up before dawn every morning running his own business. But my right hon. Friend is right to remind us that, across the whole country, every business needs to work hard, as they do, every day of the week. That is the secret of our competitive success, and it is how we will continue to prosper as a nation.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): In light of comments made last week by the Japanese ambassador, the Secretary of State will be aware that Nissan, which is based in my constituency, contributes £2.1 billion to the UK balance of trade, and exports 80% of all cars made at its plant in Sunderland. What opportunities does he see for automotive companies such as Nissan in a post-Brexit industrial strategy, and will he commit to meeting Nissan as soon as possible?

Greg Clark: I not only make that commitment but can tell the hon. Lady that I have already done that, and have also met the Japanese ambassador. The automotive sector, and Nissan in particular, is a hugely important and valued part not only of her constituency but of the whole country. It has our full-hearted support. The ambassador and I have met twice. It is correct and encouraging that the Japanese ambassador, on behalf of the Japanese Government, shares with us their priorities for our negotiation. That is exactly the sort of relationship that I hope and expect to have with our partners around the world.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State will be aware of the great anger felt by Britain's wealth creators at the comments of his right hon. Friend the International Trade Secretary, which were damaging not just to them but to our reputation abroad. What conversations has the Secretary of State had with his right hon. Friend and with the Prime Minister about limiting that damage?

Greg Clark: My right hon. Friend has been vigorous during the summer in going around the world to promote the case for British business, as is his job. Opposition Members will have the support of everyone in this House if they join the efforts we are making to promote the great opportunities there already are in this country and the further opportunities to come.

18. [906292] **Chris Philp** (Croydon South) (Con): Secretary of State, may I ask you whether you agree that free trade is at the heart of a prosperous economy? Will you and your Front-Bench colleagues be resisting any attempts to impose any form of protectionism when we come to negotiating future trade arrangements?

Mr Speaker: Order. The hon. Gentleman should try not to use the word "you" in the Chamber. Debate goes through the Chair. I am not expressing any view on these matters, but I think I know what the hon. Gentleman had in mind.

Greg Clark: Free trade courses through the veins of this country. It is one reason why we have been most successful. I was surprised to hear a commitment to free trade described as dogma last week. It is one of our strengths, and my hon. Friend has my absolute assurance that it will be very much to the fore of our reputation in the future as it was in the past.

Bill Esterson (Sefton Central) (Lab): I welcome the Secretary of State to his new post. He certainly has his work cut out. Australia says that it will take at least three years after Brexit before a trade deal can be in place with the UK, while the United States, Japan and China have all expressed their views about the prospects for foreign investment and trade with the UK. What is he doing to get behind UK businesses and deal with the concerns of our international partners following the Brexit vote? He could not do better than to start by telling his Cabinet colleagues to get behind business and stop insulting it.

Greg Clark: I would be interested in the support of the Labour party for promoting British business around the world. The hon. Gentleman will know, from our previous work on local growth, that he will always have a willing ear and assistance from me in doing that. He was kind enough to welcome me; I welcome the Opposition Front Bench team. The hon. Member for Hemsworth (Jon Trickett) was my shadow in my role at the Department for Communities and Local Government. He has followed me here—perhaps he is not so much a shadow as a stalker, but I regard it as flattery. [*Laughter.*]

As I said in my initial answer, relationships are important. We can exchange letters and bits of paper, but it is important that we get to know well our partners around the world. I have done that and my colleagues have done that. As I said earlier, I visited our investors and manufacturers in Japan and India. I will continue to do so.

23. [906298] **Lucy Frazer** (South East Cambridgeshire) (Con): Cambridgeshire is a net contributor to the Treasury, with 20,000 businesses generating revenues of over £30 billion. As local politicians, we have had cross-party meetings with business leaders about the implications of Brexit for our local economy. Will the Secretary of State visit the Cambridge Science Park in my constituency to discuss the implications?

Greg Clark: As my hon. Friend knows, I am a frequent and enthusiastic visitor to Cambridge. One of the important features of our industrial strategy is to have a clear recognition of the contribution and local leadership that different places bring. I have appointed the Minister for Universities, Science, Research and Innovation, my hon. Friend the Member for Orpington (Joseph Johnson), as the lead liaison for Cambridge, but I will of course be very happy to visit myself.

Callum McCaig (Aberdeen South) (SNP): I, too, welcome the Secretary of State and his team to their positions. I agree that there are some challenges, one of

which is the ballooning trade deficit that, in quarter 2 of this year, increased to £12.3 billion. This is a problem that is unlikely to be solved by withdrawal from the single market. Scotland voted to remain. Scottish business wants unhindered access to that single market. Will the Secretary of State support that, or is he in favour of the full English Brexit?

Greg Clark: I welcome the shadow Minister to his place. I think many of us on the Government Benches were impressed by his contribution to the debates last week—a clear rising star. He will know that I will work very closely, and the Prime Minister has committed to working closely, with the devolved Administrations to make sure our negotiating mandate reflects the needs of all parts of the United Kingdom. It was a United Kingdom decision to come out of the European Union and we will make the most of it together.

Callum McCaig: I thank the Secretary of State for that answer. The Scottish Government analysis of UK withdrawal from the European Union is that it could cost the Scottish economy at best £1.7 billion a year and at worst £11.2 billion a year. I repeat: will he make the case from his Department for continued membership of the single European market?

Greg Clark: I made clear in my earlier answer that free trade is what we want to see in this country. In furthering our discussions not only with the leaders of the devolved Administrations but with our business investors around the world, we will ensure that the negotiating mandate we have is ambitious and will secure the brightest possible future for the whole of the United Kingdom.

Hinkley Point C

2. **Angela Crawley** (Lanark and Hamilton East) (SNP): When the Government plans to make a decision on the timetable for the development of Hinkley Point C. [906275]

4. **Tommy Sheppard** (Edinburgh East) (SNP): When the Government plans to make a decision on the timetable for the development of Hinkley Point C. [906277]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): I said on 28 July that the Government would carefully consider all the component parts of the Hinkley Point C proposed project before reaching a decision on whether to agree to the proposed contract for difference. We have been doing just that, and as the Prime Minister told the House last Wednesday, a decision will be taken this month.

Angela Crawley: On my recent summer surgery tour of my constituency, a number of constituents raised concerns about the cost to the taxpayer of the Hinkley Point C development. Barclays estimates that even if EDF delivers four years late and 25% over budget, it would still make a profit on the deal, with the deficit being picked up by ordinary people over the next 35 years. Does the Minister think that such a gratuitous public subsidy provides value for the taxpayer?

Greg Clark: As I said to the hon. Lady in my answer, we are looking at all components of the deal and will make our decision before the end of the month. However, I think it is a responsible act on the part of the Government to consider our energy supplies for the future in the long term. I know the Scottish Government have turned their face against new nuclear. We regard it as an important part of a diverse energy mix that gives resilience to UK consumers.

Tommy Sheppard: Given that the Brexit vote has thrown the energy sector into further uncertainty and given that we know that energy from renewable sources will be cheaper than nuclear by the time Hinkley is completed, is it not now time for the UK Government to follow Scotland's example, end this unreasonable love affair with nuclear energy and embrace cheaper, safer and more plentiful alternatives?

Greg Clark: Sir Winston Churchill said that in energy, “diversity and diversity alone” was the foundation for security. I think those were wise words, and I think we are wise to have a range of energy sources now and in the future—including, of course, renewables.

Sir Gerald Howarth (Aldershot) (Con): May I say how strongly I support the Prime Minister's decision on this, given that China persists in trying to hack not only state agencies but our commercial companies and has put two fingers up to the arbitration court in The Hague, which ruled that the development for military purposes of uninhabited atolls in the South China sea was unlawful? These are people with whom we should sup with a long spoon. I commend to my right hon. Friend the paper written by the Intelligence and Security Committee under the chairmanship of Sir Malcolm Rifkind three years ago.

Greg Clark: I am grateful to my hon. Friend for his comments. He will know that the commitment we have made is to look at all components of the proposed deal and to make our decision very shortly. I shall of course report back to the House when we have done that and explain the reasons why we have taken whatever decision we have.

14. [906287] **Sir Edward Leigh** (Gainsborough) (Con): The Government are very wise to take a deep breath before committing themselves to the massive cost of Hinkley. Evidence on new technology is mounting all the time, relating in particular to fusion rather than fission, mini-reactors and battery storage. I commend the Government for considering the decision very slowly indeed.

Greg Clark: I am grateful to my hon. Friend. It is right when dealing with such an important decision to make sure that a new Government look at all the components with a view to the future for our energy supply. As I say, I believe it important to benefit from the full range of technologies, including some of those that my hon. Friend has mentioned.

Mr Ben Bradshaw (Exeter) (Lab) *rose*—

Mr Speaker: The right hon. Gentleman came in on Question 1, which I have not forgotten, even if he has. We will save him up for later and keep him in the microwave.

Christina Rees (Neath) (Lab/Co-op): I congratulate Express Reinforcements Ltd, based in my Neath constituency, on becoming the preferred supplier for 200,000 tonnes of reinforced steel provided by Celsa Cardiff from Bylor to Hinkley Point C. I am concerned that Hinkley Point C has been hit by multiple setbacks and is on hold. Will the Secretary of State please update us on the timetable? Do we need a plan B or even a plan C?

Greg Clark: The hon. Lady is right that across all forms of energy generation we need to upgrade our capacity for it. Doing that—the Government are determined to do so—will secure important advantages for other companies, including steel suppliers, right across the United Kingdom. We will take the decision on Hinkley before the end of the month, as the Prime Minister has said.

Mr John Whittingdale (Maldon) (Con): Notwithstanding his earlier remarks, will my right hon. Friend confirm that, as well as the proposed nuclear power station at Hinkley Point C, the other part of the package, which is a new Chinese-designed station at Bradwell-on-Sea, remains very much on the table?

Greg Clark: The decision with Hinkley Point C is on the particular contract for difference. That is what we are reviewing, and we will take the decision when that review has been completed.

Barry Gardiner (Brent North) (Lab): I, too, welcome the Front-Bench Members to their new positions—along with my stalker friend. After putting 25,000 highly skilled jobs at risk and jeopardising 500 much needed STEM apprenticeships; after offending the Chinese Government and risking £18 billion of investment in the nuclear industry, which is a vital part of our energy mix; and after sending shockwaves through the investment community, which now thinks that the Prime Minister does not understand the meaning of fine investment decisions, does the Secretary of State agree with those in the industry who say that the Prime Minister's cautious approach now looks more like dithering?

Greg Clark: I prefer the Prime Minister's cautious approach to the approach of the hon. Gentleman, which, as far as I can see, is completely inconsistent. He criticises the Government for, quite rightly, reviewing this important decision, but at the same time he says that we should take two to three months to review the decision seriously, so there is a contradiction in his position.

That does not surprise me, however, in view of the complete absence of an energy policy during the 13 years of Labour government when we knew that nuclear power stations were going to come to the end of their lives. Those power stations were not replaced. The present Government are making decisions in a proper, serious way, and making up for the lost time during the Labour years.

Industrial Strategy

3. **Nigel Huddleston** (Mid Worcestershire) (Con): What steps the Government is taking to develop its industrial strategy; and if he will make a statement. [906276]

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): I am delighted that the Prime Minister has asked me to lead the historic task of preparing a proper industrial strategy for our country. We have a once-in-a-generation chance to embrace the opportunities of our new global role, and to upgrade our economy so that it works for everyone. We will work with the breadth of British industry, local leaders, innovators, employees and consumers to create the conditions for future success.

Nigel Huddleston: May I, too, take the opportunity to congratulate the Front-Bench teams on their appointments?

The words “industrial strategy” often conjure up images of manufacturing and heavy industry. Can the Secretary of State confirm that the service sector, which, after all, constitutes 80% of the British economy, will also be comprehensively covered by this industrial strategy?

Greg Clark: I can indeed confirm that. In our projections of how we are to earn our living as a nation, we should look to our strengths. The service sector is undoubtedly one of our greatest strengths, and we must of course create the conditions that will enable it to continue to prosper in the future.

Mr Iain Wright (Hartlepool) (Lab): I, too, welcome the Secretary of State to what is a fantastic, ambitious, interesting and challenging brief. I wish him and his ministerial team all the best. Will he now explain precisely how the new industrial strategy marks a distinctive change in the Government's approach to collaboration with business and intervention in the economy—or is it merely a change to the nameplate at 1 Victoria Street?

Greg Clark: It is certainly not that. I would very much welcome the involvement of the new Select Committee which I expect to be formed in ensuring that we capture everything that we need to make a success of the strategy. I do not think that it is brand new, in the sense that, as I have said, we build on success. For instance, we talked to one of the hon. Gentleman's colleagues about the automotive sector, which we know has been a significant source of strength. The environment that we have created with the firms in the sector, and with universities and scientific institutions, has been crucial to its success. We will build on those strong foundations, and will be very clear about our path for the future.

Rishi Sunak (Richmond (Yorks)) (Con): As the Government formulate their industrial strategy, may I urge my right hon. Friend to look at the American small business innovation research programme, which funds research at the critical stage between science and the commercialisation of technology, and which has spawned companies such as Qualcomm, Jawbone and Tesla? Will he consider a United Kingdom equivalent?

Greg Clark: I am grateful to my hon. Friend, who is very well informed about the need to translate research success into small business success. I am sure that we can discuss it further.

17. [906290] **Chris Bryant** (Rhondda) (Lab): I welcome the new team as well, although I suspect that even the Secretary of State knows that this is not going to be a full English Brexit, but a dog's Brexit. *[Interruption.]* Thank you very much; I am here all week.

As for the industrial strategy, one of the real problems facing many parts of the country—as was revealed at the time of the referendum—is that they are now post-industrial. They are areas that formerly had one industry, such as tourism, iron and steel, coal or shipbuilding. Will the Secretary of State ensure that we take the opportunity to invest in those forgotten areas, so that we can improve their productivity in particular?

Greg Clark: They are not forgotten. The hon. Gentleman is very good at one-liners. The creative industries are an important source of strength, and that includes comedians.

Some of the most successful places in the world, especially cities, have developed in such a way that they have resilience as a result of having different industries. That even applies to cities in which there was formerly a single dominant industry. We want to work with local leaders to ensure that we strengthen the resilience of our own regional centres.

Mr Edward Vaizey (Wantage) (Con): I welcome the new Front Bench team, particularly the visiting fellow of All Souls, who is appropriately the Minister for the Oxfordshire local enterprise partnership, and the Minister for consumer affairs, who is a brilliant re-tweeter, particularly of my interview in today's *Times*.

As part of the industrial strategy, I hope my right hon. Friend the Secretary of State will recognise the importance of science and innovation; in my constituency in Harwell we are a microcosm of the future of Britain, linking science with high tech, and I hope it will feature strongly in his industrial strategy.

Greg Clark: It certainly will, and the strength of science, not least in Oxfordshire, is one of our national strengths and it will be at the heart of our strategy.

Ms Margaret Ritchie (South Down) (SDLP): How will the Secretary of State ensure the future industrial strategy is mindful of Northern Ireland's particular reliance on EU support and access to the common market?

Greg Clark: As I said earlier, we will make sure we work with our colleagues across the United Kingdom. I had a very productive meeting with Simon Hamilton in the summer, to make sure we co-ordinate our efforts with those of policy makers in Northern Ireland. It needs to be joined-up and it will be, and we will make sure our negotiating mandate reflects contributions from across the UK.

Jon Trickett (Hemsworth) (Lab): I join others in welcoming those on the Front Bench and the creation of a Department that is going to deal with industrial

strategy. The country is badly unbalanced at the moment and we will support any realistic thorough-going industrial strategy that is developed.

We know how the strategy has gone over the summer—BHS has gone bust, with 11,000 jobs gone. Sports Direct is paying less than the minimum wage, world-leading company ARM, a home-grown British gem, has been sold overseas—and meanwhile one of the Secretary of State's Cabinet colleagues has talked down British business, calling our companies fat and lazy, and there is still no clear and unambiguous progress on the steel industry. It has been over two years since the consultation on the steel industry pensions ended. When will the right hon. Gentleman make it clear that the pensions of tens of thousands of loyal and hard-working steel workers will be properly protected?

Greg Clark: The steel industry is a very important industry in our country. As the hon. Gentleman knows, I grew up in Teesside where it was particularly prominent. I had some productive discussions in the summer, including visiting south Wales to make sure the Government can give the right support to a sustainable future for the steel industry, and I am happy to make the hon. Gentleman aware of these discussions.

Solar Power

5. **Gill Furniss** (Sheffield, Brightside and Hillsborough) (Lab): What steps he plans to take, and by what date, to improve the performance of the feed-in-tariff scheme for solar power. [906278]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): Solar deployment is a UK success story, with almost 11 GW of capacity now installed. While it is appropriate to allow for a period of stability following recent changes to protect consumer bills, the Secretary of State continues to keep the performance of the feed-in tariff scheme under review.

Gill Furniss: A PricewaterhouseCoopers report in July showed almost 60% of companies are looking to diversify away from solar, and nearly four in 10 are considering leaving the solar market entirely, as a result of the Government's policy changes. What steps will the Minister take to avoid business confidence in this important sector dropping further?

Jesse Norman: Actually, there is remarkably little sign that confidence in the sector is dropping. There is a recognition that those changes had to be made and the sector has responded remarkably resiliently. We must not forget that it has also been spreading expertise in solar internationally, which is another reason for thinking this is a real long-term success story.

Kevin Hollinrake (Thirsk and Malton) (Con): I welcome the new ministerial team to their new roles. Kingspan, a significant employer in my constituency, has contacted me regarding concerns about the revaluation of business rates for cellphone rooftop solar. The result is a sixfold to eightfold increase in rates. Will my hon. Friend agree to meet me and representatives from the company to see how these effects can be mitigated?

Jesse Norman: Kingspan is a company I know very well, since it has a substantial operation in Herefordshire. Valuations in this area are made by the independent Valuation Office Agency. The Department is liaising with the industry and the VOA on this issue, but I certainly would be delighted to meet Kingspan and my hon. Friend to discuss it.

Dr Alan Whitehead (Southampton, Test) (Lab): On that matter, has the Minister carried out any analysis of the effect of the proposed hike in business rates on payback periods for commercial and rooftop solar, and particularly school solar? Does he intend to change the tariffs if the proposed business rate revaluation comes into effect?

Jesse Norman: I simply repeat that the matter is under review. We have not seen what the agency will propose, but we will look at it closely when we see what it suggests.

Barry Gardiner (Brent North) (Lab): The Minister talks about stability, but there has in fact been a 93% drop in solar installations this year. Following a 64% cut in subsidy to solar and an eightfold hike in the proposed business rates, it would appear that the next attack on solar renewables is already being planned. Will he tell us whether it is through incompetence or calculation that the changes to grid charges put forward by the regulator to end the unfair advantage to highly polluting diesel generators will in fact have a negative impact on small-scale renewables such as solar?

Jesse Norman: It is widely understood that the sector needed some changes to the feed-in tariffs, because their effect was to hit consumers very hard in the pocket. These charges are paid by consumers. Let us not forget that 99% of all the solar panels installed have been installed over the past six years.

Promotion of Innovation

6. **David Morris** (Morecambe and Lunesdale) (Con): What steps his Department is taking to promote innovation in all regions of the UK. [906279]

7. **Julian Sturdy** (York Outer) (Con): What steps his Department is taking to promote innovation in all regions of the UK. [906280]

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): The Government support innovation through Innovate UK, soon to be part of UK Research and Innovation, and have invested more than £1.8 billion in innovation since 2007. Innovate UK is connecting businesses to local growth through its regional managers, and local enterprise partnerships are supporting innovation through £200 million of local growth funding.

David Morris: As chairman of the parliamentary space committee, may I point out that the space industry has outgrown the economy by 10% all through the austerity years? However, the industry is quite worried about the issues that could be caused by Brexit, even though the European Space Agency is outside the European Union. Can the Minister give us a categorical assurance that the space industry—and the aviation industry, which is annexed to it—will not be overlooked, especially in areas such as the north-west?

Joseph Johnson: We certainly recognise the value of space to our economy and we are working closely with industry to understand their concerns. We are also working closely with colleagues across the Government to ensure that we understand the impact of the referendum and all the opportunities associated with it, and we will continue to do that as we shape our future relationship with the European Union.

Julian Sturdy: The success of our agricultural industry is dependent on the latest innovations in agricultural science and technology, which are driven forward by world-leading research centres such as Fera on the outskirts of York. What assurances can the Minister give us that agri-food research will continue to play an important role in the Government's overall strategy for supporting innovation and, ultimately, delivering food security?

Joseph Johnson: This Government are investing £160 million in agri-tech, including in centres for agricultural innovation, to ensure that our world-leading science is improving productivity on farms. In addition, a UK-wide food innovation network, which is to be launched shortly, will give businesses greater access to technology and science.

Mr Gregory Campbell (East Londonderry) (DUP): Will the Minister ensure that the relevant Ministers in the devolved legislatures across the United Kingdom are brought together to ensure that best practice in innovation is not just replicated but brought forward in each of the relevant sections across the UK?

Joseph Johnson: We are working closely with the devolved Administrations as we put in place the creation of UK Research and Innovation. Excellent science and innovation will be supported through the new body, and we look forward to continuing to fund excellence in science and innovation, wherever it is found in the United Kingdom.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Innovation is key to our regional economies, helping to create high-skilled, well-paid jobs. Innovation needs investment in research and development and in small businesses if we are to make a success of new ideas. European funding has helped to grow our regional innovation infrastructure. The north-east alone will receive £130 million in research funding between now and 2020, and 72% of EU funding to UK businesses goes to small and medium-sized businesses. Will the Minister commit to matching the funding for innovation that currently comes from the European Union?

Joseph Johnson: We have been monitoring the impact—any impact—on our research institutions and businesses since the referendum. The Treasury's announcement on 13 August that it will underwrite for the life of the project all competitively bids for EU research funding that are applied for before our departure from the EU shows our determination to take action wherever necessary to maintain the global competitiveness of the UK's research base and of the innovative businesses that win such bids.

Product Recall: White Goods

8. **Andy Slaughter** (Hammersmith) (Lab): If he will take steps to support the London fire brigade's Total Recalls campaign on the implementation of changes to the product recall system by manufacturers of white goods. [906281]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): Consumer product safety is a Government priority. We have an effective system of product recall and have established a steering group to consider the recommendations in Lynn Faulds Wood's 2016 product recall review. We will engage with the London fire brigade on its campaign as part of our regular dialogue with them.

Andy Slaughter: The Minister will be aware of the major fire in a Shepherd's Bush tower block last month that was caused by one of an estimated 5 million defective Whirlpool tumble dryers. The tenant was in the same room as the dryer but could do nothing to stop the fire destroying her home and damaging 25 others. Does the Minister agree that Whirlpool's advice that such dryers can continue to be used if not unattended is irresponsible and dangerous? Will she get it changed?

Margot James: I was shocked to hear about the serious fire in the hon. Gentleman's constituency and understand his concerns about the safety of tumble dryers. However, the advice provided by Whirlpool is based on a full risk assessment of the product that has been agreed with Peterborough City Council trading standards, which is the lead enforcement authority for Whirlpool. Trading standards will continue to monitor the situation and has powers to order further action if appropriate.

Mr Philip Hollobone (Kettering) (Con): There are three tumble dryer fires each day in this country—almost 2,500 since the start of 2012. Will the Minister ensure that fireproof labels containing make, model and serial number are attached to all tumble dryers, so that machines can be traced to the manufacturer when fires do occur?

Margot James: Although there have been serious fires, they represent less than 0.2% of the total number of tumble dryers sold, so we must keep things in perspective. Lynn Faulds Wood's review provides an overview of the current consumer product recall system, and the independent recall review group, composed of industry safety experts and the Chief Fire Officers Association, will complete the work on the recommendations.

Laser Pens

9. **Rehman Chishti** (Gillingham and Rainham) (Con): What assessment he has made of recent trends in the sale and supply of laser pens. [906282]

The Minister for Climate Change and Industry (Mr Nick Hurd): The Department is absolutely committed to ensuring that only safe products are placed on the market, including laser pens. Given the risks associated with misuse of such pens, we are reviewing what more we can do to protect consumers and aircraft.

Rehman Chishti: I thank the Minister for that answer. In the past year, there have been over 1,300 incidents in which certain laser pens were used to target both civilian and military aircraft and transport infrastructure. Will the Minister support my private Member's Bill, supported by the British Airline Pilots Association, to regulate the sale of laser pens?

Mr Hurd: I congratulate my hon. Friend on his persistence and passion in pursuing this important issue—there are significant risks attached to misuse. I assure him that the Government are taking the matter seriously. A cross-Whitehall group is urgently looking at our options, including the case for further legislation. In that context, I am happy to meet him.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Minister help the leading manufacturer of laser pens, which is situated in my constituency? The company is—or was—a great supporter of the northern powerhouse and will be attending Thursday's big conference in Yorkshire on innovation and creativity, supported by the all-party parliamentary group on Yorkshire and Northern Lincolnshire. It wants to know why Lord O'Neill was suddenly pulled as a speaker with no substitute offered. We hear that the Government will have nothing to do with elected mayors or the northern powerhouse. What is the situation now?

Mr Speaker: In relation to laser pens, rather than the speaking engagements or otherwise of Lord O'Neill.

Mr Sheerman: I mentioned laser pens.

Mr Hurd: I congratulate the hon. Gentleman on his ingenuity in asking a question that he was frustrated about not getting answered previously. I reject absolutely any suggestion that the Government have lost any commitment to the northern powerhouse. As for the specifics of speaking engagements, if he would like to speak to me afterwards, I can try to throw some light on the matter.

Mr Speaker: The hon. Member for Huddersfield (Mr Sheerman) is a well-known exponent of what I might call the shoe-horning technique. Whatever he wants to raise, he shoe-horns it into a question somehow. He could probably write a book on the subject—and probably will.

Solar Power

11. **Christian Matheson** (City of Chester) (Lab): Whether his Department has received a copy of the report by PwC and the Solar Trade Association, published on 25 July 2016, on the state of the UK solar industry; and what his plans are for the future of solar power in the UK. [906284]

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): I welcome the question from a colleague I have enjoyed watching at work with his incisive questioning on the Culture, Media and Sport Committee—tragically, he is about to direct that questioning at me. I can assure him that my Department has received a copy of the PwC report and carefully noted its findings. As I have said, solar has

been a great success story over the past few years. The goal, now that costs have been brought under control, is to move the industry towards having the capacity to deliver without subsidy.

Christian Matheson: I thank the Minister for his generous comments and for his time as Chair of the Select Committee that I serve on, and I wish him well in his new role.

The PwC report estimates that a third of jobs in solar have been lost in the past year, with a third of companies expecting to cut more staff in the next 12 months. As the hon. Member for Thirsk and Malton (Kevin Hollinrake) and my hon. Friend the Member for Southampton, Test (Dr Whitehead) have suggested, rateable value changes will affect the industry further. Will the Government take into account the cumulative effect and actually do something positive for the solar industry?

Jesse Norman: Of course I share the hon. Gentleman's concerns about any job losses as a result of changes in the industry. I made some points earlier about the way in which the industry is changing, and I note that the report picked out the resilience of the industry and its capacity to respond to change, potentially including that offered by Brexit. I simply say that it is noticeable that many schemes are already close to being viable without subsidy, in certain circumstances, and the key now is to move further towards that. As I have said, we will look closely at the valuation issues he has highlighted today.

EU Referendum: Opportunities for Businesses

12. **Andrew Bingham** (High Peak) (Con): What assessment his Department has made of potential opportunities for British businesses arising from the vote to leave the EU. [906285]

15. **Karl McCartney** (Lincoln) (Con): What assessment his Department has made of potential opportunities for British businesses arising from the vote to leave the EU. [906288]

The Minister for Climate Change and Industry (Mr Nick Hurd): The Government have made it very clear that we are open for business and are absolutely determined to make a success of leaving the EU, and that includes seizing the opportunity to negotiate our own trade agreements and to be a powerful and positive force for free trade.

Andrew Bingham: I believe that leaving the EU offers great opportunities for British business in the future, although we must be aware of certain threats. My constituent Steve Otty has a business called Hindlow Technical, which works in the area of explosions protection. The situation is complex, but he has a registration system with the EU Commission, and he is concerned that being outside the EU will prevent that process and could hamper his business. Will my hon. Friend be vigilant on such issues, so that as well as providing the opportunities of leaving the EU, we can be ready to counter the threats?

Mr Hurd: I assure my hon. Friend that we want to make sure that the new relationship with the EU works for British businesses. His constituent Mr Otty raises an important point about the need to seek clarity on the

ongoing recognition of the compliance certification that UK notified bodies grant. That is an important issue, and we are well aware of it. If his constituent would welcome a call or a meeting to discuss it, I am sure we could arrange that.

Karl McCartney: Does my hon. Friend welcome, as I do, the latest trade figures, which showed that despite the predictions of the crystal-ball-gazing doom merchants such as the remainiac TUC, our exports grew by more than £800 million in July after the positive EU referendum result? Can he confirm the number of businesses that he and his ministerial colleagues have spoken to that are positive about our economic future outside the EU?

Mr Hurd: I welcome any good news for the British economy, and although I voted remain, I agree 100% that we should be talking up our prospects and not talking them down. On the conversations that we have had, I simply say that the chairmen I have spoken to have expressed some desire for more certainty but are fundamentally optimistic about local prospects and keen to get on with it.

Andrew Gwynne (Denton and Reddish) (Lab): There is a British jurisdiction that is entirely accessed, by road, air and sea, through another European Union member state—the British overseas territory of Gibraltar. People there are absolutely of the opinion that they need to retain access to the single European market. What discussions has the Minister had with his Gibraltarian counterparts to make sure that that happens?

Mr Hurd: As the Secretary of State made clear, we are actively engaged in a series of conversations with stakeholders and international partners, and we are sure Gibraltar will be part of that.

Danny Kinahan (South Antrim) (UUP): Will the Minister or his team meet the leader of the official Opposition in Northern Ireland, of which my party is part, as we have an excellent document on the vision for the future of Northern Ireland after Brexit?

Mr Hurd: The short answer is yes. As the Secretary of State has said, we are keen to harvest all opinions and ideas on how we meet the fundamental and exciting challenge of how to transition to a post-Brexit world in a way that works for British business.

Topical Questions

T1. [906264] **Neil Parish** (Tiverton and Honiton) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): The Department for Business, Energy and Industrial Strategy was formed on 14 July, and it is my great honour to serve as its first Secretary of State. Over the summer, rapid progress has been made in joining up responsibilities for business, energy, climate change, science, innovation and consumer affairs and in creating a new focus on industrial strategy. This is a powerful Department, which is up to the task of promoting a competitive, low-carbon economy that works for everyone.

As part of an excellent team of Ministers and officials, I will continue to work both locally and globally on the challenges ahead.

Neil Parish: The Swansea bay tidal lagoon, along with Cardiff bay, Newport bay and Bridgwater bay, has the potential to create huge energy, as those bays have the second highest rise and fall of tide in the world. How is the feasibility study going, and when will we get a result? We need long-term funding for a project that will provide 8% of our energy.

Greg Clark: My understanding is that the feasibility study is being undertaken. I have not received its final conclusions yet. At that point, I will look at it with the same interest as my hon. Friend.

Bill Esterson (Sefton Central) (Lab): The European Commission says that Apple should cough up £13 billion in taxes for earnings generated across the EU, including in the UK. Most UK businesses pay their fair share of taxes and expect all other businesses, large or small, to do the same. Will the Secretary of State confirm that he is doing everything he can to ensure that the very biggest companies pay up and that we receive our share of the £13 billion Apple tax pie?

Greg Clark: The hon. Gentleman makes a reasonable point. Responsibilities come with being in business in this country, and paying taxes to contribute to the public services that we enjoy is one of them. He has my assurance that we will ensure that we pursue the correct tax from all companies that locate here.

T3. [906266] **Jason McCartney (Colne Valley) (Con):** On Thursday, I will be chairing a panel at the enterprise, innovation and northern powerhouse conference at Huddersfield university. Does the Secretary of State agree that in developing an industrial strategy, we need to do more to win hearts and minds for big projects in the north, with more examples of regional procurement, such as the High Speed 2 college in Doncaster, and more jobs in the north, perhaps with HS2 starting from the north?

Greg Clark: The passion with which my hon. Friend makes his point attests to the opportunities within our approach to industrial strategy to ensure that there is growth across the United Kingdom, including in Yorkshire. He will know that I have taken a great interest in that in my previous roles, and he can be absolutely assured that that interest will not diminish in the months ahead.

T2. [906265] **Fiona Mactaggart (Slough) (Lab):** The current review of network charging for small embedded generators such as Slough Heat and Power will mean huge increases in costs for them. Is the Department determined to make energy generation the preserve of big businesses only?

The Minister for Climate Change and Industry (Mr Nick Hurd): No, I categorically rebut that. We must strike a balance between driving down the costs of all sources of low-carbon generation and ensuring that we deliver best value for consumers and taxpayers, and that occasionally requires reviews of tariffs.

T4. [906267] **Chloe Smith (Norwich North) (Con):** As we approach European negotiations, can the Secretary of State assure me that the Government will seek to enhance and promote British strengths in financial services, science and the digital, creative, cultural and tourism sectors, which are particularly important to my constituency?

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): Yes, I can certainly assure my hon. Friend that we plan to put science and innovation at the heart of our industrial strategy. Financial services, as part of the services sector, will also play an important part of our strategy as it is developed in the coming weeks.

T5. [906268] **Patrick Grady (Glasgow North) (SNP):** Last week, the Government committed to ratifying the Paris climate agreement. Will they commit to doing so before the next United Nations framework convention on climate change conference of parties in Morocco, so that they can play a full and leading role at that summit?

Mr Hurd: We helped to shape the Paris agreement, we signed it, and the Prime Minister has confirmed that we will ratify it as soon as possible, which remains our position.

T7. [906270] **Maggie Throup (Erewash) (Con):** Britain is undoubtedly a world leader in scientific research. With that in mind, will my hon. Friend detail what role bioscience will play in the Government's industrial strategy?

Joseph Johnson: The Government's industrial strategy will position the UK as a global leader for the 21st century. The UK bio-economy is worth £220 billion in gross value added—13.6% of total GVA in 2014—with potential to grow by 13% by 2030. We shall continue to invest strongly in it.

T6. [906269] **Paul Blomfield (Sheffield Central) (Lab):** The Secretary of State is a thoughtful man who I believe is serious about regional growth. Will he assure me that I am right in that understanding by cancelling his predecessor's decision to centralise his Department's policy functions in London? Among other things, that would maintain and build on its important presence in Sheffield.

Greg Clark: I am certainly attached to the work that is done in Sheffield and the highly valued colleagues we have there. The decision was made some time ago, and many changes have been made. As we sort out the responsibilities of different parts of the Department, I will look carefully at what Sheffield can provide.

Pauline Latham (Mid Derbyshire) (Con): What further steps can be taken to help make non-commercial community energy schemes viable?

Mr Hurd: As we have said in response to earlier questions, the Government are committed to the deployment of renewable energy and have had considerable success, and of course the feed-in tariff has been central to that.

T8. [906271] **Angela Smith** (Penistone and Stocksbridge) (Lab): The expansion of Heathrow would create a demand for 370,000 tonnes of steel and secure 700 steel jobs, so it is not only in the interests of the UK economy more generally that we expand Heathrow but specifically in the interests of the manufacturing sector. Why do we not just get on with it, have the vote here in the Chamber and get on with the building of the third runway?

Greg Clark: We do need an upgrade across many different forms of infrastructure, and that will have very important benefits to the steel industry, including in Sheffield.

Tom Pursglove (Corby) (Con): It is hugely encouraging that the Government are developing their comprehensive industrial strategy, which I believe will give a great boost to confidence in our steel industry. Will the Minister update the House on what early discussions he has had with the industry about its role in that?

Greg Clark: I have had extensive discussions with the steel industry over the summer, as my hon. Friend will understand. It is very important that we should have a sustainable future for what has been, and is, a very important sector in our economy.

T9. [906273] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The huge Hanjin Shipping line has gone into receivership, leaving between £12 billion and £16 billion-worth of goods at sea. The inability to dock is projected to have an impact on UK retail, particularly during Christmas trading. More importantly, UK seafarers—

Mr Speaker: Order. One sentence. Very briefly. We have got a lot to get through.

Drew Hendry: Seafarers such as Scots cadets are stuck at sea. What action is the Minister taking to assist retailers, and will he speak to his Foreign and Commonwealth Office counterpart to get help for our seafarers?

Greg Clark: I will take that point away. On the immediate impact, I know that the local enterprise partnership is engaged in ensuring that the delays will be overcome.

Kit Malthouse (North West Hampshire) (Con): Many will commend the Secretary of State for putting science, and in particular life sciences, front and centre in his industrial strategy. I wonder whether, as he plans the future of that industry, he could work closely with the Secretary of State for Health, given that the attitude to innovation of the industry's largest customer, the national health service, will be critical to the industry's growth in the decades to come?

Greg Clark: I certainly will. I was interested to read my hon. Friend's article in the newspaper earlier this week, which made that point. It is important that the Government take a collective approach, and I have already had discussions with my right hon. Friend the Health Secretary about how we can make the most of the NHS in life science.

Gloria De Piero (Ashfield) (Lab): Will the Government look again at the unjust 50% Government clawback from the mineworkers' pension scheme surplus?

Greg Clark: I will certainly take that point away, and I am happy to meet the hon. Lady if she would like to inform me about that outside the Chamber.

Mr David Nuttall (Bury North) (Con): Does the Department intend to develop a single industrial strategy for the whole country or different industrial strategies for different parts of the country?

Greg Clark: My hon. Friend makes a good point. It seems essential to me that we should have a strategy for the whole country, but place is incredibly important, and the challenges of places such as Greater Manchester are different from those of Cornwall. We should reflect more clearly the different strengths and opportunities of different places in how we do business as a Government.

Ian Blackford (Ross, Skye and Lochaber) (SNP): Does the Minister accept that the changes to subsidy for the biomass combined heat and power plants have been brought in too quickly, and that a longer grace period should have been granted before implementation? BSW Timber in my constituency, which is doing what the Government want by investing in renewable technology, stands to lose up to £3 million in support. Will the Minister meet me to discuss these changes and talk about what—

Mr Speaker: Order. Let me say in all kindness and charity to the hon. Gentleman that he was at his best at the end of the first sentence. A blue pencil should thereafter have been applied.

Mr Hurd: I think the hon. Gentleman is a former treasurer of the Scottish National party, so he knows a bit about the challenge of cost control. He knows that in the context of these changes, our overriding priority is to provide better value for the taxpayer.

Several hon. Members *rose*—

Mr Hurd: The changes will apply to new participants according to when they fully qualify for the scheme, and those that fully qualified on or after 1 August will be subject to the change.

Several hon. Members *rose*—

Mr Hurd: If the hon. Gentleman wishes to raise a specific constituency case with me, I am happy to meet him.

Mr Speaker: The Minister is very good for colleagues' knee muscles—or not, as the case may be.

Peter Aldous (Waveney) (Con): Brexit provides the UK with an opportunity to be the global leader in such energy technologies as offshore wind, energy storage, and carbon capture and storage. Can the Secretary of State confirm that the Government will reset energy policy so that the country can take full advantage of this great opportunity?

Greg Clark: My hon. Friend is right that one of the historic strengths of the United Kingdom is in areas such as marine engineering and power engineering, which are at the heart of the opportunities that exist around the world as many countries look to develop their capacity in renewable energy. That provides a big opportunity, especially for his constituents.

Melanie Onn (Great Grimsby) (Lab): Can the Secretary of State guarantee that all employment protections currently enjoyed by British workers will be maintained after Brexit, and will he back my Bill to do just that?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): We will certainly look carefully at the hon. Lady's Bill. Employment protections are a priority for this Government.

Nigel Adams (Selby and Ainsty) (Con): The financial viability of many low-carbon on-site heat and power technologies is under threat owing to the reduction in the biogas tariff. Will the Department consider a separate tariff for the new gasification technologies, rather than treating them the same as other technologies such as anaerobic digestion?

Mr Hurd: As my hon. Friend knows, the Government are reviewing how the renewable heat incentive works and have been forced to make some changes to tariffs in order to provide better value for the taxpayer's money, but I am more than happy to sit down with him and talk about his suggestion.

Hannah Bardell (Livingston) (SNP): I welcome the Secretary of State to his place, as I do my hon. Friend the Member for Aberdeen South (Callum McCaig), who I know will be a doughty champion for his new brief.

A new report from Professor Alex Kemp of Aberdeen University suggests that the re-engineering of the UK continental shelf fiscal regime may be necessary before we can reach the North sea's full potential. What further support will the Government offer the oil and gas sector in the autumn statement?

Greg Clark: I had a productive set of discussions with representatives of the oil and gas sector in Aberdeen in the summer. The industry, which is centred in Aberdeen but involves other places in the country, is very important. We have made big changes to the fiscal regime, as the hon. Lady knows, which have been beneficial, but we will continue to have discussions about that.

Jake Berry (Rossendale and Darwen) (Con): The Secretary of State described himself earlier as being engaged in an historic task of writing industrial strategy, but surely if he studies history, he will know that industrial strategy is written predominantly by civil servants, and that Ministers tend to fail. What steps will he take to engage businesses in Lancashire to make sure that we have a successful strategy?

Greg Clark: I certainly will take such steps, and I am grateful for my hon. Friend's point. Obviously an industrial strategy for the country should not consist of instructions from Ministers or civil servants to businesses and the

rest of the country. We are engaging with businesses across the country and in every sector to ensure that they have the support they need.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Does the Secretary of State believe that it is conceivable that this country could negotiate full membership of the single market without accepting freedom of movement?

Greg Clark: The hon. Gentleman entices me into making early decisions on what our negotiating mandate should be. I think the sensible step is to be careful and to put together our negotiating brief, in consultation with businesses in every part of the country.

Martin Vickers (Cleethorpes) (Con): I welcome the Government's continuing commitment to the northern powerhouse. Will the Secretary of State meet me and council leaders to discuss how we can maximise the contribution that northern Lincolnshire can make to the project and reap the maximum benefit?

Greg Clark: I am always keen to meet my hon. Friend. Despite the fact that I have moved from one Department to another, I hope the invitation to fish and chips in Cleethorpes still stands.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I understand that the Secretary of State has met many businesses over the past few months. Will he list which of those businesses support leaving the single market?

Greg Clark: We are putting together the priorities for our negotiation in consultation with businesses in all parts of the country. The hon. Lady will have the chance to contribute to that through the Scottish Government, and we will publish it when we have finished.

Robert Jenrick (Newark) (Con): We have 50 Airbnb properties in Newark, and Uber has cut the cost of a night out in Nottingham by almost 50%. Will the Secretary of State follow the lead of his predecessor by supporting innovative, disruptive technologies rather than letting us bury our heads in the sand?

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Jesse Norman): My hon. Friend rightly highlights the importance of innovation in driving industrial growth, and it will undoubtedly be at the centre of the industrial strategy as it is rolled out.

Greg Mulholland (Leeds North West) (LD): Following the recommendation of the Select Committee to remove Paul Newby as pubs adjudicator, new evidence has emerged that shows that he failed to properly declare his interests and also misled the Select Committee. So far, he has refused to resign. Will the Secretary of State now restore confidence in that post by sacking him?

Greg Clark: My understanding is that the appointment followed a proper process. That is what I understand to have taken place, but I will look at the suggestions that the hon. Gentleman has just raised.

Several hon. Members *rose*—

Mr Speaker: Order. I am genuinely sorry to disappoint remaining colleagues. I have extended the envelope rather substantially, but we must now move on.

Point of Order

12.37 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker. I have been contacted by leading business people up and down the country regarding the efficiency and effectiveness of Members of this House. There are informal ratings of how hard parliamentarians work, but there is no official kitemark. I wonder whether you could investigate whether we could look at which Members are fat or lazy and which ones are hard-working and innovative. Is it not about time we looked at Members—some of them in the leafy suburbs and leafy parts of Britain—who do not have much casework? They do not do very much—of course, we know that. Those in the towns and cities work much harder. Could we have an evaluation of who works hard in this House and a kitemark showing that to our constituents?

Mr Speaker: I am grateful to the hon. Gentleman for his suggestion through the device of a point of order. I ought, first of all, to say that there is nothing wrong with being fat—at any rate, it is certainly not for the Chair to pass judgment on these matters, and I would get into hot water, and very properly so, if I were to start casting aspersions on body shape. I will simply say, although I am sure the hon. Gentleman was not seeking my approbation, and he has no need of it, that he himself is slim, assiduous and endlessly energetic, as his continued re-election by the people of Huddersfield for the last 37 years, I think, readily testifies. At any rate, he appears to enjoy their enthusiastic approval. We will leave it there for now.

BILL PRESENTED

LASER PENS (REGULATION OF SALE, OWNERSHIP AND USAGE) BILL

Presentation and First Reading (Standing Order No. 57)

Rehman Chishti, supported by Maggie Throup, Mr Nigel Dodds and Martin Vickers, presented a Bill to make the sale, ownership and use of portable laser emitting devices with output power of more than 1 milliwatt unlawful in certain circumstances; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 2 December, and to be printed (Bill 64).

Unsolicited Marketing Communications (Company Directors)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.39 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): I beg to move,

That leave be given to bring in a bill to enable the Information Commissioner's Office to take action against company directors for breaches of the Privacy and Electronic Communications (EC Directive) Regulations 2003 relating to unsolicited marketing communications made by a company; and for connected purposes.

Since I was elected last year, I have been campaigning to tackle the scourge of nuisance calls, which blight the lives of far too many of our constituents across the United Kingdom. I can vouch for the fact that this is a huge problem faced by far too many of my constituents, and I know that there is a similar picture across Scotland and across the United Kingdom. It is time that named company directors of the companies that are responsible for nuisance calls are held to account instead of fines for breaches in the law being imposed on companies that then close down and are reopened under a different name, thus allowing fines for breaches of the law to go unpaid.

Being bombarded with nuisance calls and texts is not only an annoying interruption to people's lives—it can be deeply distressing to the hundreds of thousands who endure them on a daily basis. They are a blight on the lives of too many members of our communities, and particularly upsetting for those who are vulnerable. Research from Which? last year found that 74%, or three quarters, of people with a landline and 58%—six out of 10—people with a mobile phone have reported a nuisance call. Six out of 10 people have indicated that cold calls have actively discouraged them from picking up their landline when it rings. While most of us—80%—say that we find cold calls annoying, one third of people receiving such calls admit to feeling intimidated by them, and about one third of people screen their calls to minimise unsolicited calls on their landlines. Beyond this, other things are worth remembering. Thirty-two per cent. of people who receive a nuisance call receive more than 10 calls over four weeks, and 12% of people receive more than 20 calls over four weeks. Thirty-five per cent. of these calls are marketing calls.

We are all forced to tolerate the appalling nuisance of aggressive and persistent marketing calls. However, Ofcom has found, disturbingly, that people aged over 55 and those who are unemployed tend to receive a higher number than any other group of people. There has been a clear trend showing a marked increase in the number of calls received by the over-55s. Many of us can choose to simply ignore calls if we suspect that a nuisance call is being made to us, but let us consider what happens if someone is elderly, frail, and dependent on their landline. They may either answer their phone when it rings so as not to miss calls from relatives checking that all is well, or ignore their phone when it rings to avoid nuisance calls. If they do not answer their phone immediately, their relatives may think that something has happened to them—perhaps that they have had a fall. They need to answer their phone, but the cost of doing so is having to tolerate numerous nuisance calls each day. People are

being harassed and subject to real annoyance, which creates anxiety and distress every day, several times a day. It is simply not good enough.

There are those who advise that if we are plagued by nuisance calls we should install a call blocker. However, these do not come as standard on all phones. In any case, buying a call blocker means that one has to go to the expense of doing so, with the cheapest being about £40. Why should consumers be driven to this expense? Why is the onus and responsibility on the consumer and not on the company causing distress?

The UK Government have taken measures to tackle this scourge by insisting on caller ID. That is a step forward, but it deals with the symptoms and not the root cause. In April last year, the Information Commissioner's Office had removed from it the need to prove that a company making unsolicited marketing calls had caused distress. Again, that is a step forward, but more needs to be done. Last year, the Department for Culture, Media and Sport made supportive noises about the change to the law that I am proposing. I hope that those positive noises prove to be true. The Scottish Government are using what limited powers they have under consumer protection provisions, but much more needs to be done.

Companies that unlawfully make unsolicited marketing communications by phone or text can be fined by the regulator—the Information Commissioner's Office—if it is found that they have not complied with the rules on the use of consumers' personal data. However, enforcement action is taken against the company rather than named company directors, which means that too many companies do not treat compliance with the law on marketing communications as a board-level issue. Too many rogue directors avoid paying fines by closing one company, starting up another with a new name—a practice known as phoenixing—and continuing their activity. That is why only four out of 22 such fines imposed have been paid in full, according to Which? This Bill would make senior company executives accountable if their company failed to comply with the rules on unsolicited communications, and hold directors to account where the company did not pay the fine, even if the company phoenixes.

Under the Privacy and Electronic Communications (EC Directive) Regulations 2003, the Information Commissioner's Office can currently take action only against a company rather than a named individual where marketing communications are made on behalf of a corporation. If we hold culpable senior executives at board level accountable for the company's practices,

those individuals would need to ensure that the company's practices were in line with the law or face personal action, which could lead to disqualification as a company director in some cases.

The enforcement regime under the 2003 regulations is an extension of the enforcement regime under the Data Protection Act, which already includes a rule that allows individual company officers to be held accountable for certain breaches of it. However, that rule does not currently extend to breaches of the 2003 regulations.

This Bill would allow the Information Commissioner's Office to take action against company directors for breaches not only of the Data Protection Act, but of the 2003 regulations. That means that the Information Commissioner's Office could take action directly against directors where they allow their company to commit breaches or fail to pay fines. Where the director is convicted of a criminal offence, they could also be subject to disqualification.

That would help to tackle the root cause of this blight on our citizens' lives in their very own homes. Technological advances mean that those who make nuisance calls can churn out automated calls at the rate of millions each day. This Bill would improve life for all of us. I believe that it would be welcomed by legitimate businesses, which face a crisis in consumer confidence, as rogue businesses undermine the entire relationship between legitimate business and consumers.

There is a huge amount of support for the alterations to the law that this Bill would make, with 79% of those surveyed agreeing that the directors of companies should be held personally accountable if their company makes these calls without the necessary permission. This Bill, importantly, would not incur any additional cost for the taxpayer, as no additional Government funding would be needed to implement or enforce it. Given the scale of the problem of nuisance calls, and given this Bill's attempts to tackle the problem at source instead of tackling the symptoms, I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Patricia Gibson, Kirsten Oswald, Dr Lisa Cameron, Roger Mullin, John Nicolson, Anne McLaughlin, Joanna Cherry, Corri Wilson, Alan Brown, Jonathan Edwards, Liz Saville Roberts and Hywel Williams present the Bill.

Patricia Gibson accordingly presented the Bill.

Bill read the First time; to be read a Second time on 18 November, and to be printed (Bill 65).

Digital Economy Bill

Second Reading

Mr Speaker: The amendment has not been selected.

12.49 pm

The Secretary of State for Culture, Media and Sport (Karen Bradley): I beg to move, That the Bill be now read a Second time.

We live in a digital economy. Almost £600 billion of online sales were made in the UK in 2014. That is the largest per capita online sales figure in the world, of all the major economies, at just over £1,500 per head. To put that figure in context, it is more than 50% higher than that of the United States, which is the next highest valued market. The rate of job creation in digital industries is nearly three times as fast as in the rest of the economy; it was 1.56 million in 2014, and it is growing. Supporting the digital economy was core to our manifesto, and that is why this Bill is a central plank of the Government's legislative programme in this Session. The Government are working tirelessly to help people and businesses to benefit from digital.

Sir Desmond Swayne (New Forest West) (Con): On that point about benefit, is the purpose of part 5 to claim rights of ownership over all data? The definition of benefit in clause 29 is so broad that I cannot think of a piece of information that would elude it. Can the Secretary of State name a piece of information that falls without that clause?

Karen Bradley: I think my right hon. Friend has just made a bid to serve on the Bill Committee. He has clearly taken a great interest in the Bill—although, as a former Whip, I wonder whether that much interest qualifies anybody to be anywhere near a Bill Committee. I assure him that that is not the function of the Bill or the intention behind it. I am sure that my right hon. Friend will be able to explore that question further during our line-by-line scrutiny in Committee.

To return to digital, our £1.7 billion roll-out plan means that 95% of all homes and businesses will have access to superfast speeds by 2017. We have one of the fastest 4G roll-outs in Europe, and 98% of premises will have indoor 4G coverage by the end of 2017.

Mrs Maria Miller (Basingstoke) (Con): My right hon. Friend raises, quite rightly, the impressive programme for the roll-out of superfast broadband. Does she share my concern that too many new homes are still being built without that as standard? Will she work with her colleagues across the Government to make sure that that situation changes?

Karen Bradley: I thank my right hon. Friend for her intervention. When she was Secretary of State, she was involved in much of the work that has put us in the situation we are in today. That is an extremely good situation, but there is still much more to do. She makes an important point about new build, and I assure her that I am discussing it with my colleagues in Cabinet.

Albert Owen (Ynys Môn) (Lab): May I congratulate the Secretary of State on her new post and welcome her to it? I pay tribute to her predecessor and to the former Minister with responsibility for the digital economy,

who did assiduous work on this. The Secretary of State mentioned 95% coverage by 2017 and linked it with mobile coverage, but many of the areas in the 5% that will not be covered do not have 4G or 3G coverage either. Will she tell the House that when the roll-out plan for universal broadband is done, she will consider giving that to areas such as mine, which could be a pilot scheme? It is a serious point, because if people do not have mobile or broadband, they do not have communications in the 21st century.

Karen Bradley: The hon. Gentleman makes an important point. I have a similar constituency, so I know well what it is like to be in the last 5%. This is all about connected and joined-up digital, and making sure that we give everybody access to the digital economy, whether they are in the final 5% or in the 95% that is already in the plans. I will say more about the universal service obligation shortly.

Lilian Greenwood (Nottingham South) (Lab): I welcome the Secretary of State's commitment to shaping the digital world to ensure that no one is left behind. Is she aware that those who are deaf or who have hearing loss are being excluded by the lack of subtitling? That is required on linear television, but it is not provided on the vast majority of on-demand services. Will she look at that exclusion? There is a huge opportunity to amend the Bill, so will she think again about extending the Communications Act 2003 to include the deaf and those with hearing loss?

Karen Bradley: The hon. Lady makes a very good point. I am aware of that point; it has been raised with me, and I am working on it with the Minister for Digital and Culture to improve the situation. I hope that the hon. Lady agrees that there has been progress in that area, but I fully take the point that we always need to do more. If she will forgive me, I will make some progress now, because I am aware that many right hon. and hon. Members want to contribute to the debate.

When it comes to broadband coverage, we are ahead of our major European competitors. In 2015, the UK maintained its No. 1 position for the widest access to superfast broadband, ahead of Germany, France, Italy and Spain. That connectivity drives business. Edinburgh, for example, has a thriving FinTech sector; Cardiff and Swansea have a particular specialism in cyber-security; Belfast's strengths include app and software development; and Manchester boasts a world-class digital media cluster. The Government are supporting and enabling that, by providing funding through Tech City and supporting businesses through UK Trade & Investment.

Most fundamentally, we are ensuring that our citizens have the skills to keep the UK ahead. We were one of the first countries in the world to put computer coding in the national curriculum, and we are focusing on digital skills for adults, so that no one is left behind. The House may be interested to know that last year the most popular A-level was mathematics, and I am extremely pleased to hear that it is doing so well in the A-level stakes.

The Government are also digitally transforming. Our Government Digital Service has made us one of the world's first "digital by default" countries—a model that has been copied around the globe. We are aggressively

modernising the way in which the Government interact with citizens. Managing information well brings benefits, such as allowing drivers to share their licence information with insurers and car hire companies, which makes transactions faster. There is a new system to ensure that the electoral roll tallies with benefits data to stamp out fraud, and there are automatic fuel discounts for vulnerable pensioners.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): On sharing information, does the Secretary of State agree that technologies such as blockchain will challenge how we share information and, critically for the financial sector, how we make payments more quickly and get rid of the middle man?

Karen Bradley: The hon. Gentleman makes an important point. We are already looking at this and trialling it. The more we can do to use data and digital to enable people to transact more quickly, the better. Clearly, we have the challenges of data protection; we must ensure that people's data are protected. There is a tension, but it is one that we are acutely aware of and working on.

We can be proud of our successes, but the Government's ambitions are greater than that. Although 19 in 20 premises will be able to access superfast broadband, one in 20 will not. For that significant minority, the Bill brings good news. Implementation of the new broadband universal service obligation will require the designated communications provider to connect customers on demand at an affordable price. Eventually, technological developments will allow everyone to have a superfast connection, but until then the Bill will provide a safety net, so that by 2020 a minimum broadband speed of 10 megabits per second should be available. *[Interruption.]* The hon. Member for Rhondda (Chris Bryant) murmurs from a sedentary position, but that is the absolute minimum safety net.

Chris Bryant (Rhondda) (Lab) *rose*—

Karen Bradley: I can never resist the hon. Gentleman.

Chris Bryant: The Secretary of State forced me—she virtually begged me—to stand up. I hear all the self-congratulation, and as much as I admire the former Minister with responsibility for the digital economy, the truth of the matter is that the original target was to get all the superfast broadband done by May 2015. That target has not been met, and the new target is December 2017. The Secretary of State is talking about a superfast speed that would not be recognised as superfast anywhere else in Europe, and 10 megabits per second is simply not enough to deliver for this country.

Karen Bradley: I am sure my right hon. Friend the Member for Wantage (Mr Vaizey) will be delighted to be admired by the hon. Gentleman, but the hon. Gentleman is simply misrepresenting the position. Is he saying he is opposed to that position? Is he saying he is opposed to the Bill? Is he saying he is opposed to the measures in the Bill, which will make sure we have the maximum roll-out so everybody has access to broadband?

Chris Bryant: The Secretary of State is asking me questions now. It is normally the other around. If she is going to keep on stimulating me in this way, let me say

that, no, I think the Bill should be far more ambitious. We should be making sure that 4G is available to everybody, not have 70% of people in rural areas not getting any 4G at all, and we should have a universal service obligation of 15 megabits per second.

Karen Bradley: The hon. Gentleman should listen to the rest of my speech and then support the measures the Government are introducing. We want to make sure that we deliver—to ensure that there is access to broadband, that there is access to 4G and that everybody is connected.

Damian Collins (Folkestone and Hythe) (Con): Does my right hon. Friend agree that, notwithstanding the comments of the hon. Member for Rhondda (Chris Bryant), no infrastructure, resources or finances were in place to deliver the USO previously, and that substantial progress has been made during the past six years to get on with the job?

Karen Bradley: My hon. Friend hits the nail on the head, as he always does. He is absolutely right. I want to make it clear that the Government will not allow people to be left behind. Whether they are running a business, staying in touch with distant family, watching catch-up television or helping children with homework, everyone should have a right to decent connectivity.

Matthew Pennycook (Greenwich and Woolwich) (Lab): Will the Secretary of State give way?

Karen Bradley: I want to make some progress, if the hon. Gentleman will forgive me.

To engage citizens digitally, we need the market for communications services to work for them. They need to be able to assess quality, and they need to navigate an increasingly complex array of choices. They also need to be confident that in making such choices they will not suffer hassle and disruption, and end up disconnected and out of pocket. The fact that recent surveys show that less than half of respondents trust their communications provider and that customer satisfaction in the sector is low is a real worry. The future of our economy depends on digital connectivity, and the Bill will address these problems head-on.

Consumers need information, but not the spreadsheets and reports that Ofcom produce. During the summer, the Competition and Markets Authority argued that to guide consumers in choosing banking services, apps need to be developed to guide consumers through the plethora of different products. This is no gimmick. These are technologies to empower consumers and drive the economy, and the communications sector is no different. The Bill provides the necessary powers to ensure that we can deliver this change—informing consumers, helping them to switch providers and compensating them if things go wrong.

Underlying such support for consumers, we need a strong and effective regulator that is able to tackle market failures and to keep the system in balance. Ofcom needs to make important decisions not just on implementing consumer-switching regimes, but on how core infrastructure is accessed and shared, how the radio spectrum is licensed and managed and how we can grow connectivity and capacity, migrating from yesterday's copper to tomorrow's fibre technologies.

Nick Herbert (Arundel and South Downs) (Con): Will my right hon. Friend give way?

Matthew Pennycook: Will the Secretary of State give way?

Karen Bradley: I will take two quick interventions.

Nick Herbert: Given that the extent of fibre to premises is so low in this country at only 1%—we are in danger of falling behind other countries in future—should not the regulator be confident in looking at the monopoly and in breaking it up where necessary to encourage more investment and competition? Does not BT's monopoly with Openreach now need attention?

Mr Speaker: Order. The intervention was too long. A lot of Members wish to speak in the debate. It is very selfish behaviour.

Karen Bradley: I will take the other one and then address both interventions.

Matthew Pennycook: This is related to the right hon. Gentleman's point. What comfort can the Secretary of State offer my constituents, in relation to developments in the heart of our capital city without fibre connectivity, who are trying to engage with BT Openreach to get a connection and are getting no response, even through me?

Karen Bradley: I suggest that the hon. Gentleman contact me, and I will make sure that those points are raised. In response to my right hon. Friend, I have been clear that we will not stop or cease until we get the right result. If that means the structural separation of BT and Openreach, this Government are prepared to consider that. Ofcom has made some recommendations. We are looking carefully at them, and Ofcom is consulting on them. We need to make sure we get it right and that we get this delivered, but nothing is off the table.

The Bill will ensure that Ofcom is held to account, but not at the expense of delay and intransigence. As well as holding industry to account, we must of course be supportive. The Bill will bring billions of pounds of benefits to industry. The new electronic communications code recognises that digital connectivity is as important as a connection to water or electricity supplies. Providing new rights to install communications infrastructure will herald a revolution in rural connectivity, bringing the digital economy to all parts of our nation.

Mrs Theresa Villiers (Chipping Barnet) (Con): I would be very grateful if my right hon. Friend outlined how the reforms—for example, to prevent abuse of the wayleave system—will reduce the costs of providing infrastructure, so that places such as my Chipping Barnet constituency can get full access to fast fibre broadband?

Karen Bradley: If my right hon. Friend will allow me, I will come on to that later in my speech.

As well as reforming land rights, the Government are reforming the planning system. I think that my right hon. Friend was referring to that. The Minister for Housing and Planning will shortly introduce regulations to ease the installation of vital masts to fill not spots.

The Bill will ensure that the planning reforms introduced in 2013 for five years, for poles and cabinets, can be made permanent.

The radio spectrum—the invisible resource on which all modern technology relies—will be better managed to ensure that we maximise capacity and avoid interference and that the UK is ready for the arrival of 5G, the future of mobile connectivity. We will lead the world on that, thanks to this Government's £11.6 million investment in the innovation centre at the University of Surrey.

As well as access and infrastructure, the Bill will tackle harm online. First, our manifesto pledged to protect children from online pornography. Children now spend more time online than watching television, and one in five children recently surveyed had encountered pornographic images that had upset them.

Tom Brake (Carshalton and Wallington) (LD): I of course support the Government's intention to protect children from inappropriate content, but does the Secretary of State agree that compulsory, age-related sex and relationships education in our schools must be central to protecting children?

Karen Bradley: The right hon. Gentleman makes an important point about having age-appropriate and good-quality sex education in schools, as I very much advocated during my previous job in the Home Office. However, we need to be clear that we have an incredible problem of pornographic images being available to children. The National Society for the Prevention of Cruelty to Children reports that children as young as seven are being treated for addiction to pornography. This cannot be addressed through one measure alone, but the measures in the Bill will help. There is no silver bullet; a joined-up approach across the whole Government is needed to deal with it. I hope that he agrees that as we age-classify films, restrict age-inappropriate broadcasts to after the watershed, put age-inappropriate magazines on the top shelf and keep children out of sex shops, so equivalent and proportionate measures are needed online.

The Government have already made good progress on this subject. First, since 2013, public wi-fi is automatically filtered and pornography is blocked in many places that children regularly visit. Following agreement with the Government, the four largest internet service providers offer their customers family-friendly filters, which, since last year, are now turned on by default. The Bill now goes further. Pornographic websites will be required to have adequate age verification, which is equivalent to what the gambling industry already implements. The regulator will pass on details of the non-compliant to credit card companies and other service providers to enable them to withdraw business support. We will drive cultural change in the sector to ensure that children are protected.

Secondly, we will protect consumers from nuisance calls. The Government have already taken steps on this matter. In May, we required direct marketers no longer to withhold their caller identification information, so that consumers can see the number of who is ringing. The Information Commissioner seeks to enforce the law, and we will help her further by placing the direct marketing code on a statutory footing, so that penalties stick.

Thirdly, we will help to protect businesses from attacks on their intellectual property. Burglars can be sentenced for 10 years in prison, but the criminal gangs making vast sums of money through exploiting the online creations of others only face a two-year sentence. We will increase the sentence to 10 years. Criminals such as Paul Mahoney, who profited by almost £300,000 and cost industry millions by facilitating access to illegal films on the internet, need to be sent a clear message. We need to ensure that enforcement agencies and their partners have the right set of tools to tackle all types of piracy, which is why those measures are so important. We will make it easier to register designs, cutting costs for our creative industries while increasing protections.

As we build our digital economy, investing in infrastructure and empowering citizens, the Government must transform and become more digital. The Government want to use and manage the vast amounts of information we keep better. Let me be clear that that is not to develop some Big Brother state that sees and knows everything. We want to manage information better for the same reason that shopkeepers, farmers, insurers, car manufacturers, educators—practically anyone in our economy who has ambition—do. Quite simply, we want to deliver better services—to create, to improve and to deliver in the public interest, for the citizen's benefit.

The Bill will allow public services to be targeted and delivered better. If one arm of the public sector knows who needs a service and the other arm is trying to deliver that service, the two need to be brought together, to work for the public benefit. Of course, we are doing that already in many places, but often only after legislating to enable specific data-sharing arrangements. All that takes time—time we do not have and can now save because of the Bill.

As the private sector knows well, information is a mineable commodity, from which value can be extracted. That value to the Government will come in better decisions, based on quality research and statistics. The Bill will allow us to spot problems and grasp opportunity for the benefit of everyone.

We will shortly be publishing the draft BBC charter for the next 11 years. My right hon. Friend the Member for Maldon (Mr Whittingdale) led one of the largest and most open consultations ever conducted, and the new charter will provide the foundations for a stronger, more independent, more distinctive BBC that will inform, educate and entertain for many years to come.

Andrew Gwynne (Denton and Reddish) (Lab): Will the Secretary of State give way?

Karen Bradley: I am about to conclude and I know many Members wish to speak, so I hope the hon. Gentleman will forgive me.

The Bill will provide the necessary powers to enable Ofcom to take on its new regulatory role and to allow the BBC to manage TV licensing for pensioners.

The Bill is good news for all. It is good for people wanting to get online, for telecommunication companies wanting to grow their sector and build consumer confidence and for creative industries wanting to protect their property and have an economy to sell into. It is good for families wanting to help their children with homework on the internet, without stumbling across harmful material.

It is also good for civil servants who want to be entrepreneurial and deliver better services and for people who want to transact with the Government efficiently, without burdens and bureaucracy. We will grow the economy and we will grasp the future. I commend the Bill to the House.

1.12 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I think we can all agree with the Secretary of State that we are living in a digital economy. Indeed, one of the relatively few subjects that can unite the House now is the importance of that economy. It gives me great pleasure to respond for the Opposition on this subject, particularly as a chartered electrical engineer—that is a declaration both of interest and of pride.

The smallest of British businesses can now have global reach through e-commerce. Artisan craft makers can trade on Etsy with very low transaction costs. Even the most niche products can be sold around the world to their fan bases. You may not be aware, Mr Speaker, that there is a T-shirt dedicated to you, with the slogan “Fear the Speaker”, which is available on the internet for your fan base. All markets can be catered for—

Chris Bryant: And all sizes!

Chi Onwurah: Yes, all sizes, as well.

We know that the International Trade Secretary believes that our businesses are lazy, but I know many that are cutting a swathe through the internet, as opposed to the golf course. Greater connectivity can help businesses to work on the move or to use new workspaces rather than traditional ones. We are also seeing new types of work, new products and markets, and digital tools that help current businesses to be more effective. Whether it is farmers relying on GPS to guide their tractors or start-ups using blockchain to address financial inclusion, digital infrastructure, tools, skills and platforms are the building blocks of the British economy.

The good news is that we are a great digital economy—indeed, we are Europe's leading digital economy. We are only at the start of the digital revolution, with the internet of things, big data and artificial intelligence set to transform the way we live and work. Now is definitely the time to bring forward a Bill to set out the vision and policies to place the UK at the top of the global digital economy. Sadly, this is not that Bill. TechUK, the digital sector trade body, described it as fixing some basics. That was rather generous. The Bill is an excellent example of that old “Yes Minister” trick of putting the difficult part in the title so it can be ignored in the document itself.

There are some good measures in the Bill, so let me begin with those. First, the universal service obligation is a long overdue half-step in the right direction. The last Labour Government left fully costed plans for universal broadband coverage by 2012. *[Interruption.]* I am afraid that is the truth. Members may not like it, but it is in the documents—I helped write them. The Conservatives' bungling procurement process and total lack of ambition left many behind, particularly in rural economies. The National Farmers Union and the Countryside Alliance have been vocal in highlighting the Government's shortcomings so I will add only that

[*Chi Onwurah*]

it is an absolute disgrace that in 2016 there are still people in this country—one of the richest in the world—who cannot even download an email.

We also welcome some movement on digital consumer rights; making it easier for consumers to switch between mobile, landline, broadband and TV providers will empower them. We are glad that the Bill gives Ofcom the teeth to ensure that customers are automatically compensated for poor service, but we also want it to be given the resources to make sure it can deliver on that—here I make another declaration of interest, as a previous employee of Ofcom.

We also welcome increased protection for children against pornography, something many on the Opposition Benches have campaigned for tirelessly. We will seek in Committee to improve the practicality and effectiveness of the measures proposed. Parents need to be given more information about protecting their children. Critically, there needs to be compulsory sex and relationships education in our schools, so that we can teach young people about healthy relationships. I heard the Chair of the Women and Equalities Committee calling for that this morning.

Tom Brake: I agree that denying children access to online pornography is essential, as is ensuring the privacy of adult users of legal adult sites, and ensuring that the Government's solution works. Does the shadow Minister have a clear idea of how the Bill deals with foreign sites and free sites?

Chi Onwurah: The right hon. Gentleman raises two very important points. There is no clear idea of how the Bill deals with such sites, in particular sites for which no commercial payment is made. There are also privacy issues throughout the Bill. That is one area on which we will seek to work in Committee.

A 21st-century economy needs the infrastructure to deliver a digital economy, so reform of the electronic communications code is long overdue. Frankly, I am very glad the Government have finally begun to build on Labour's Communications Act 2003. We are concerned, however, that proposals to lower base station rentals may reduce even further the revenues to funding-starved local authorities and we want to hear how the Government will protect them. Newcastle City Council, for example, stands to lose £300,000 a year, which could go to social care, transport and the skills training my constituents rely on.

We also welcome proposals to bring aspects of our copyright law into the 21st century, rewarding artists and our creative industries for the huge contribution they make to our economy. Again, we shall seek to test in Committee how effective the proposals will be in practice.

Andrew Gwynne: My hon. Friend touches on an important point. She will know that one proposed change relates to the cable and online transmission of programmes put together by public service broadcasters, and the income they will potentially lose. Will she test the Government in Committee on the timescales for introducing those measures, because I know that the BBC, ITV and other public service broadcasters want the measures in place sooner rather than later?

Chi Onwurah: Absolutely. That is one of the areas on which we will seek much greater clarification.

While celebrating the contribution of the creative industries, we note the Government have not taken the opportunity to update authors' rights for e-book lending. This part of library lending is growing despite, or perhaps because of, the drastic cuts to library services under this Government, so would now not be an opportunity to update those rights?

There are a number of areas where we have significant concerns. The BBC is one of the cornerstones of our £84 billion creative industries. Its successes are something that we on the Labour Benches celebrate. Protecting the BBC is crucial. The Bill makes policy for funding TV licences for the over-75s the responsibility of the BBC. The National Union of Journalists estimates it will cost the BBC £1.3 billion over five years, and then £750 million each year. That represents a 20% cut in licence fee income, which could pay seven times over for our 30 local BBC radio stations or fund Radio 4 eight times over. It could pay for 30 "Great British Bake Offs". Ministers would do well to consider that before depriving the British public of their favourite shows. We accept that funding and policy must go together.

The Minister for Digital and Culture (Matt Hancock): On the crucial issue of "The Great British Bake Off", of which I am an enormous fan, I hope the hon. Lady will correct what she just said and acknowledge that, after today's announcement, the programme will remain on free-to-air terrestrial TV, on Channel 4.

Chi Onwurah: I thank, or at least I think I thank, the Minister for that intervention, but it is clearly not going to be on the BBC and that is clearly a question of funding. The Government are cutting funding to the BBC significantly. If that is not going to be the case, I look forward to an announcement from the Government that they are withdrawing those measures. My hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams), the shadow Secretary of State for Work and Pensions, has described this as

"a slippery slope towards further outsourcing of a social security system under siege."

The Bill is not only notable for its inability to respond to the challenges it sets itself; it should be infamous for not even considering the challenges the digital economy presents. It has little to do with the digital economy itself and much to do with the Government's culture of cowardice when it comes to addressing the key challenge of the digital economy: data. The only measures on data seem designed to extend the current public sector data sharing chaos to a complete free-for-all. Our data are at risk with this Bill. We do not own the data and we are not safe. Anyone can take them and the Government decide what others should see of them.

The Government want to make sharing public data easier if "benefit" can be shown, but that benefit will be decided without proper public scrutiny—indeed, without any debate. Where has the debate been?

Antoinette Sandbach (Eddisbury) (Con): A number of fuel poverty initiatives have requested data sharing so that help and assistance can be targeted. Does the hon. Lady not agree with that kind of initiative?

Chi Onwurah: Data sharing, as with much of the new and fantastic technologies of the digital economy, can bring huge benefits to making public and private services more effective. However, they need to be used in the context of a framework where we have a sense of data ethics, data principles and the rights of citizens whether they are in fuel poverty or not. We are perfectly capable of achieving that, but we need a Government with the vision to instigate a debate and to set out the right transparent framework. Unfortunately, the Bill just does not do that. As we saw with the failed care.data attempt at NHS data sharing, when the Government fail to set out a proper and transparent framework the cost is borne by a lack of public trust in those services.

Matt Hancock: Before the hon. Lady proceeds, she might want to acknowledge the two-year open policy-making process that has underpinned the data measures. She is very welcome to participate in that process, but has so far refused to engage.

Chi Onwurah: I hope the Minister will not continue to use my speech to make inaccurate points. I am very well aware of the data sharing debate. I am also very well aware that it was rounded off without proper agreement on the conclusions. I look forward to the Minister setting out exactly where the agreement that led to the current proposals was debated and agreed with all the stakeholders. He knows very well that he is unable to do so.

The failure to set out a data framework matters now, but it will matter even more in future because the new generation of technology, such as the internet of things, is going to increase exponentially the generation and use of data. To take smart meters as just one example, when security is designed into the smart energy code for energy metering there is no regulatory framework for the data about our homes: when we start making the tea, what time our children go to sleep and when we lock the back door. The previous Secretary of State for Energy told me that the data would belong to the energy companies. She then retracted that statement, but clearly had no idea who the data would really belong to. I doubt she can tell me more now that she is Home Secretary.

Martin Docherty-Hughes: On that very point about data sharing, does the shadow spokesperson not agree that technology such as blockchain will allow individuals and households to maintain specific information that energy companies might require?

Chi Onwurah: It is certainly the case that distributed ledger technology can have great applications in promoting openness, and consumer and citizen trust. Again, however, it has to be set out in the right framework with the right principles. We need a progressive ownership framework for data, one that is debated and discussed by everyone, including those not online. The Government must deliver an effective data regulation framework for the digital era. Without that, the digital economy will be hamstrung by peoples' fears and companies' confusion.

Unfortunately, that is not the only gaping hole in the Government's Bill. The Government cannot tell us who will have access to our digital identities. In order to download an app from Google Play, people must have a

Google account, which can then be used to identify and control their device. Who owns that identity? The Bill has nothing to say on cyber-security, despite it being one of the critical challenges of the digital economy. The Bill introduces instead bulk sharing of civil registration data, described by one commentator as suspiciously like an ID card through the back door.

The Bill has nothing to say either on work in the digital economy. A new economy brings new types of jobs and a new set of labour relationships. The Uber driver, the Deliveroo rider, the TaskRabbit worker—none of these workers are employed by the companies they work for; they are all managed by algorithms. The Bill does nothing to protect workers from extra-casualised work, compressed wages, few rights and almost no recourse to justice in the new intermediary economy. These firms are the future, but we must protect the workers of the future, too.

It is not only workers who are impacted by algorithms. Uber knows a person is more willing to accept higher or "surge" prices when their phone is about to run out of battery. They say they do not use this information to charge higher prices, but we have no way of verifying that. I am told that one well-known web-dating site has its algorithm optimised for short-term relationships, which maximises its revenue. Do the people paying their fees know that?

These criticisms are not an attack on the digital economy. I am a tech evangelist. I want the UK to see the advantages of a digital Britain, but that means the whole of the UK. Technology brings astounding new opportunities, but millions of people and businesses are left behind because of their lack of digital literacy. In 2014, Santander found that 34% of UK businesses looking to export do not have their own website, and last year ComRes found a quarter of the capital's firms have little or no online presence.

In addition, the Government are doing little to tackle harassment and threats online. Our lives are increasingly lived on the internet. There would be an outcry if women did not feel safe walking down the street, yet many do not feel safe going online. Now is the time for a Bill to ready the country for the new digital world, but the Government are guilty of another half-hearted attempt to respond to the 21st century.

We shall not oppose the Bill on Second Reading, but the digital economy deserves better. Instead of leaving a positive legacy, the Conservatives will leave us with another missed opportunity—one whose legacy will be with us for decades to come.

1.33 pm

Mr John Whittingdale (Maldon) (Con): It is a pleasure to welcome the Digital Economy Bill, not least because it still has my name on the front of it. Indeed, my right hon. Friend the Member for Wantage (Mr Vaizey) and I can claim a degree of joint paternity on this particular measure.

Chris Bryant: Steady!

Mr Edward Vaizey (Wantage) (Con): It is a beautiful Bill!

Mr Whittingdale: We were very close in our ministerial team!

[*Mr Whittingdale*]

The Bill is something of a Christmas tree and contains a number of different measures within it. Let me speak first about the two major provisions, which both relate to connectivity. The reform of the electronic communications code has been something that communications providers have been urging for a considerable time. Indeed, it was part of the deal struck with mobile phone providers by my right hon. Friend the Member for Bromsgrove (Sajid Javid) in return for their guarantee of extending coverage. An attempt was made to introduce it in the Enterprise Bill in the last Parliament. It has been around for a long time.

I found out from my own constituency about 18 months ago that Vodafone had a problem with one of its transmitters, which led to a large number of my constituents losing the service. That was impossible to put right for something like eight weeks as a result of Vodafone being unable to access the transmitter.

Mr Jim Cunningham (Coventry South) (Lab): The right hon. Gentleman will know that I raised the issue of BT with him on a number of occasions, particularly with respect to small businesses in Coventry that are struggling with the services they get, along with the general public as a whole. Does he agree with me that it is about time that somebody had a good look at doing something about BT?

Mr Whittingdale: I do agree. I shall say a few more words about it in a few moments, but I generally agree with the hon. Gentleman. As for the code reforms, these will make it easier for communications providers to maintain and repair their equipment. This is now an essential part of ensuring that we have an adequate infrastructure.

Chris Bryant: The right hon. Gentleman says that it will make it easier for providers to repair, but it will not. It makes it easier for them to put new masts up, but it does not make it easier to repair them, particularly when the groupings of “whips”, as they are called—they enable different mobile companies to use similar masts—are expressly excluded. Does the right hon. Gentleman think it would be advantageous to change the Bill in order to allow them to be included?

Mr Whittingdale: I believe that access to wholesale infrastructure providers’ masts is regulated by Ofcom in any case. We were advised that this was not a significant problem, although we looked at it quite closely at the time. We decided that it was not necessary to extend the provisions to cover wholesale infrastructure providers.

One thing I would say to Ministers is that alongside the reform of electronic communications codes, there have been some welcome changes to planning laws, which will enable higher masts. As we move into the next generation of 5G services, a huge number of very small transmitters are going to be required, which might need to be attached to lamp posts in cities, for example. We do not want to need individual planning applications for every single one. Given that 5G is coming down the track fast, we might need to look at planning laws again. I leave that issue with the Minister.

Provisions on the universal service obligation are also a major step forward. Whether or not the USO is a legal necessity remains to be seen, but it is certainly sensible to put the provisions in the Bill. BT is already saying that it can deliver it without a legal requirement, but this should certainly spur it on in its efforts to demonstrate that that is possible. The hon. Member for Coventry South (Mr Cunningham) raised his concerns about BT. Now is not the occasion to rehearse all the arguments for a digital communications review. Ofcom has, I think rightly, put forward proposals to make a clearer separation between Openreach and BT Retail, but there is still some concern that those proposals do not go far enough. It will be necessary for BT to make it absolutely clear that there is full separation and a level playing field. I say to Ministers that they will want to look at that carefully. If it is not working sufficiently, it will need to be revisited.

Ofcom is obviously playing a key role throughout this process. One measure we thought about for a long time was Ofcom’s request for changes to its appeals procedure. BT has strongly opposed that, but Ofcom believes it to be necessary. One reason why it is necessary is that it has become apparent in recent years that almost every single decision taken by Ofcom is promptly challenged in the courts. Ofcom is not determining these matters; they are being determined by the judicial process that is then triggered by the communications provider. That is not how it was supposed to work, and it has resulted in lengthy delays in putting through some quite important measures. On balance, the change to the nature of the appeals process—the hurdle that has to be met to allow a judicial challenge—is a sensible one. This has become apparent simply because of the number and extent of the judicial challenges that have occurred over the last few years.

Let me say a few words about one or two other measures in the Bill. Copyright is one of them. I am delighted that the Bill equalises the penalties for online and offline copyright infringement. I have brought with me a copy of the Select Committee’s report “Supporting the Creative Economy”, published in September 2013. One of its key recommendations was that the penalties should be equalised, and that it should be made clear that infringement of copyright online was as serious as infringement offline. That will send a clear message, but more still needs to be done.

As my right hon. Friends will know, the Conservative party manifesto stated that we would put pressure on search engines to try to prevent illegal sites from coming up at the top of a search. I know that round-table discussions have been taking place for a considerable time, but it is a matter of great concern that no significant progress has yet been made. In the most recent attempt to find out whether or not there had been an improvement, a Google search was made for “Ed Sheeran Photograph download”, with “Photograph” being one of Ed Sheeran’s most recent songs. Only one of the top 10 listings involved a legal site, and the legal site was YouTube, which, of course, is owned by Google.

Dr Rupa Huq (Ealing Central and Acton) (Lab): I am sure that the right hon. Gentleman is much missed by Members on both sides of the House as we debate this Bill. He said that Ed Sheeran’s song was available on illegal platforms. Does he agree that technology companies,

and platforms such as Google and YouTube, should be compelled to list only legal sites? At present the pirates are sometimes listed higher up than legal sites, and our British musicians who contribute, I believe, £4 billion annually to the economy are losing out as a consequence.

Mr Whittingdale: I think it would be unrealistic to expect Google to establish whether every single site was legal or illegal. What it can do is react when illegal sites are brought to its attention. It does de-list, but new sites then appear immediately. There have been a vast number of complaints from rights owners about particular sites, but they should tweak their algorithms so that those sites no longer appear at the top of the search listings. Measures of that kind have been under discussion for months and months, but the problem still exists.

I suggest to my right hon. Friend the Secretary of State that there may well be a case for including a legal provision encouraging providers to establish a voluntary code. As she may remember, the Digital Economy Act 2010 contained measures to deal with illegal downloads. That led the industry to reach an agreement with the internet service providers, which made it unnecessary ever to use the law. When it comes to incentives of that kind there may well be a case for legislation, because we cannot allow Google and other search providers to go on allowing people access to illegal sites.

Another matter relating to copyright, which has already been raised, is the repeal of section 73 of the Copyright, Designs and Patent Act 1988, which exempts the cable companies from having to pay copyright licence fees. The original justification for the exemption was that it would encourage the roll-out of cable, and it has largely been fulfilled. However, the law has been abused, particularly by something called TVCatchup which has used it to steal copyright material and make it available without paying any licence fee. The repeal is, I think, absolutely right, although it leaves a question about the relationship between the cable companies—particularly Virgin—and the public service broadcasters. I hope that that can be settled by discussion between them, but Ofcom may still need a back-up role in connection with the must-carry provisions.

The other big issue covered by the Bill is pornography—which, again, has already been mentioned—and age verification. The Bill does not specify how age can be verified, and I must say that I am not entirely sure how the providers will do that. It will not be sufficient to include the question “Are you 18?”, along with a box to be ticked. On the other hand, requiring the user to submit, for instance, a credit card number potentially raises big issues relating to privacy. We must bear it in mind that the content that is being accessed is perfectly legal. Of course it is right for children to be prevented from accessing it, because that can be harmful, but it is legal content for adults, which is why I think the Bill is right not to go as far as blocking access to websites that are providing legal content. However, there are still big questions to be asked, and I am sure that they will be explored in Committee.

I agree with the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) that the Bill should have contained cyber-security measures, and perhaps I should take some responsibility for that. Cyber-security is one of the great challenges facing our country, and I know that Ministers take it very seriously. At present, telecoms

companies are required to report a cyber-attack—which TalkTalk had to do not so long ago—but that requirement is restricted to telecoms companies. The truth is that every company is being subjected to cyber-attack, and I think that in the event of a significant breach resulting in the loss of data affecting large numbers of people, companies should make it public and tell their consumers. That is not currently within the law, and we may need to consider it again.

Generally, however, I think that the Bill contains a number of very important provisions which will hasten our progress towards the establishment of a fully digital economy.

1.46 pm

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): I welcome the opportunity to speak about such an important Bill, which contains several measures that SNP Members welcome. We welcome long overdue changes in provisions such as the electronic communications code, moves towards greater consumer protections, and steps that are designed to promote more connectivity. However, I know I am not alone in thinking that the Bill’s title is a bit of a misnomer. At a time when the British economy, with its woeful record on productivity, is crying out for a vision to ride the wave of technological change, we have a Bill that is somewhat cobbled together, and is vague and unambitious. Although it contains several welcome measures, it offers little in the way of direction or strategy. The Conservative manifesto pledged to make the United Kingdom a world leader in digital provision—a place where technology would ceaselessly transform the economy, society and government. I ask all Members to consider whether the Bill really lives up to that vision.

We really should contemplate the remarkable next phase of the information revolution. Phenomenal access speeds through fibre and 5G will allow us to realise the potential that is the internet of things. If we get this right and make the most of these opportunities, technology truly can power our economy. In Scotland, the moves that we are making on that front are strong and unequivocal. The SNP is committed to a manifesto pledge of 100% superfast connectivity. We do not see any reason why connectivity—which is of even greater significance in a country like Scotland, which has a low population density—should be determined on the basis of whether people live in rural or urban areas.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): Does my hon. Friend agree that, despite the Secretary of State’s claims in her opening speech that we were soon to have 95% coverage, that does not apply in many communities? Not only is the last 5% often the most difficult and expensive to provide, but the oft-quoted figure is in fact much higher in many of those communities.

Calum Kerr: It is realistic to assume that more like 25% of my own constituency will not be covered. The concentration of the 5% can be great in rural areas in Scotland, in particular.

A theme to which I shall return is the desire for the Government, with our support, to show more ambition. As the right hon. Member for Wantage (Mr Vaizey)—the former digital Minister—put it, they should embrace McBroadband. Never mind your 10 megabits; let us get

[Calum Kerr]

superfast everywhere. That is a key ambition on which I hope the present Minister can trump his predecessor. Rural areas already have to deal with poor connectivity. We have poor roads and highways; let us not have equally poor digital superhighways, because digital is becoming ever more important. The Government talk about it as a fifth utility, but with that rhetoric—that status—comes a greater responsibility upon them, providers and regulators to provide equality of access. As we talk increasingly of forms of digital citizenship, it is vital that the large swathes of the country that could be left behind do not become left behind as second-class digital citizens.

We welcome the introduction of a universal service obligation, but, as the Scottish Government pointed out in Ofcom's digital communications review, it is important that the USO is dynamic and capable of evolving over time. Rather than a one-size-fits-all approach, the USO should be framed in such a way that it offers maximum flexibility and does not offer standard solutions as we try to hit a minimum standard. Ultimately, we want a USO that helps to incentivise network providers to push fibre further and empower communities, perhaps through a voucher scheme or other mechanisms that support local ambition. We want to ensure a framework that does more to improve rural coverage and protects the interests of rural consumers, rather than cementing a digital divide.

The key to an effective USO will be in its delivery. That is a matter that this Bill refers to Ofcom's technical analysis, but it is worth noting that a simple headline figure of 10 megabits download is flawed. First, a truly effective USO needs to consider not just basic download speed, but upload, latency, data limits and, of course, cost. Everyone should be entitled to a fair standard of broadband, and that is about a lot more than just download speed.

To return to the other point I mentioned, do we really think 10 megabits will be considered sufficient by 2020? Why do the Government think the bar should be set so low? The SNP challenges the thinking that sees 10 megabits as adequate. I found some of the briefings depressing to read, and they smacked of vested interests who, in their desire to leave markets open for future commercial activity, think rural areas should be sacrificed and given a lesser service, which is totally unacceptable.

Beyond any technical aspects of the USO, Parliament should have an ongoing role to play, especially in the matter of funding. I personally believe there is a strong case for an element of public funding, rather than just relying on the industry or an industry levy, but if the option of an industry levy is to be pursued, we would encourage the Government to cast the net as wide as possible, to cover all who benefit from the digital economy.

We welcome measures to improve the ability of consumers to switch providers with maximum ease, and we want to look closely at measures to incentivise quality of service, to ensure these incentives are universal. The Government have missed an opportunity, which I hope they will reconsider, to introduce measures advocated by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Drew Hendry)—what a magnificent constituency name that is!

Pete Wishart (Perth and North Perthshire) (SNP): It's almost as good as yours.

Calum Kerr: Yes, Berwickshire, Roxburgh and Selkirk is very good, too. But self-praise is no praise.

My hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey gained support from Ofcom and the Government for allowing customers who have signed up to mobile contracts to switch or cancel if they find they have inadequate coverage, and I encourage the Government and Ministers to revisit this and consider whether it might be more explicit.

It is not just in the wired world that change is needed. We welcome the long-overdue measures to reform the electronic communications code.

Mr Vaizey: Hear, hear.

Calum Kerr *rose*—

Pete Wishart: I think the hon. Gentleman liked that.

Calum Kerr: Yes, I think he did.

Chris Bryant: Self-praise is no praise.

Calum Kerr: You get no praise at all then—pot/kettle, by the way. My eyes are still running at the thought that the love child these Ministers gave birth to was a Christmas tree; that made my eyes water.

We are glad that the long-overdue measures to reform the electronic communications code are being brought forward, especially when we consider that the code has not really changed since the introduction of many of the digital technologies we now take for granted.

While we support these changes, the system that is put in place must have a balanced approach. Providers must not be held to ransom, but, likewise, landowners should be entitled to receive fair compensation. On top of that, when taking forward such extensions to permitted development, we need to ensure an appropriate balance is struck between facilitating the roll-out of such infrastructure and having appropriate planning controls on the impacts of such development on amenity and the environment.

A particular area of concern is the way in which existing agreements will be affected by these changes, as the shadow Minister raised. This is a key area that we will want to look at in Committee. It is vital that where public assets are used for the siting of equipment, the loss of income to the public sector is considered. The Government need to outline how they will reconcile the code with the Treasury's Green Book requirement to obtain best value from public sector assets. It is important for these measures to take account of who current landlords are. In many instances, they are local authorities or the fire service, for example, and in Scotland not an inconsiderable number are the Forestry Commission. While we understand the Bill is not retrospective, substantial amounts of money could come out of the public purse when contracts come up for renewal.

Of course, increasing coverage is welcome, but a key question that the new code raises is whether mobile operators should be allowed to renew old contracts on the same basis as the new regime, or whether we should

have a different regime for renewal. We should also consider commitments on any savings being reinvested in infrastructure.

My party welcomes the fact that independent operators are excluded from the provisions of the new code. Only about a third of UK mast infrastructure is shared, whereas in some countries, such as the United States of America, it is about 80%. It is important as we go into the Committee stage that we do not allow these independent operators to be pulled into this legislation. I agree with the former Secretary of State, the right hon. Member for Maldon (Mr Whittingdale), that this is already covered under Ofcom, and it strikes me as somewhat perverse that at the time when we are having a big discussion as to whether Openreach should be independent, we do something that might damage independent infrastructure in telecoms provision.

We also welcome some of the adjustments the Digital Economy Bill makes to spectrum policy in these islands. Although it highlights fixing mobile coverage, reform of the code will go only so far. The most powerful lever we have remains licensing, so when it comes to the next round of licences, let us look at far greater coverage and consider setting conditions for licences that meet a higher standard in terms of population and geographical coverage. We also encourage the Government to look at how spectrum policy has been developed in other countries, such as Germany where an “out to in” strategy ensures that rural areas, rather than getting left behind, are done first.

The measure contained in the Bill relating to compensation is overdue, especially as the digital communications review laid bare some fairly stark statistics on how poorly the sector has performed in customer service. Disappointingly, but perhaps not surprisingly, there was some pushback against this idea in some of the briefings. However, the sector has had its chance, and everyone recognises the need to improve. It is clear that we need to do something about automatic compensation. We need to reject the arguments from the sector that automatic compensation would inhibit the management and maintenance of good quality networks.

I worked at the same company as the shadow Minister, the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), some years ago—a Canadian company called Nortel. I did not have the technical expertise she has, but even I know that when you build a network, you build it to be secure and resilient and you build it in such a way that it can be upgraded and maintained. Perhaps the operators think that everyone in this House can be hoodwinked by a couple of technical excuses, but let me assure them that we cannot. This is clearly an area in which policy will have to evolve. We need to come up with a scheme that is fair but we also need to look at the behaviour of the operators and look for the improvements that the Bill is intended to drive. It is not meant to be penal; it is meant to drive improvement.

When we talk about customer service, we also need to consider the changed world in which we live. In the days of telephony, the question was simple. It was a binary system that either worked or it did not; it was either on or off. In the age of the internet, things are far more complex. A headline download speed is not a guaranteed download speed. Services are contended, and I would contend that that highlights the need for services to be granular. We should look at the average speed that a

customer can expect, as well as the maximum speed. People would then have a clear choice and be able to sign up for a service that does what it says on the tin.

The SNP welcomes the introduction of age verification for online pornography, but we have concerns around how the measure will be enforced. We will need to look carefully at this in Committee. With so many sites based overseas, the challenge of tackling non-compliance will be complex. The Government should consider going further and look at steps such as transaction blocking in response to non-compliance. They also need to do more to put in place incentives for compliance, and we should consider measures that would offer the regulator the option of blocking sites that are non-compliant. We welcome the provisions in the Bill, however.

We share the Opposition’s reservations about the outsourcing of policy on TV licences to the BBC. In Scotland, we have recently classified loneliness as a health issue, and clearly benefits relating to those in old age have a significant role to play in tackling this. We recognise that the Government’s decision to pass the baton on this policy to the BBC is based on a financial settlement, but we want to challenge the thinking in this whole area when the Bill reaches Committee.

We believe that public sector broadcasting always needs to be challenged and updated, but we acknowledge its unique role in society and we are fundamentally supportive of it. We therefore welcome the repeal of section 73 of the Copyright, Designs and Patents Act 1988 and recognise the importance for public service broadcasters of having the ability to realise the value of the content they create. This is a long overdue step and we join the calls from across the House for the Secretary of State not to hesitate in putting these powers in place.

On intellectual property, we are supportive of the changes in the Bill that will give the protection of intellectual property online a status that is equivalent to the regimes in place for offline material.

Pete Wishart: I am glad that my hon. Friend has reached this part of his speech. Like me, he welcomes the move to make an online infringement the same as a physical infringement, but does not the Bill need to do more? We really need to tackle the culture of the major search engines and the value gap between those who create the wonderful content that we have in this country and those in big tech who earn money from it. Does he agree that we need to introduce measures in Committee to tackle that issue?

Calum Kerr: I absolutely agree with my hon. Friend, and I look forward to tabling specific amendments in Committee.

We on these Benches also offer our support, albeit with reservations, for the measures in the Bill relating to digital Government and information sharing. We welcome the recognition that the Government need to move towards being “digital by default”, and we understand the huge benefits for citizens and for Governments that new approaches to digital and information sharing can bring. Our concerns relate to how these measures will be executed and implemented.

Securing the trust of citizens will be vital in harnessing the power of data to improve the workings of the Government, but we do not want to offer the Government

[*Calum Kerr*]

a blank cheque on these matters. We have concerns about the lack of detail on how citizens' data would be put to use and what form of protection would be put in place to cover areas such as human rights, privacy and data ownership. There is a clear logic, on a purely technical matter such as the universal service obligation, in enabling legislation to allow the detail to be defined by an external agency, but this is an area that requires ongoing parliamentary oversight and it is not clear at this stage how such an obvious democratic requirement will be met.

Scotland already has a well-established data linkage framework and a set of guiding principles designed to proportionately balance the risk to confidentiality against the public benefit of using data for research. The Scottish Government will want to be fully involved in the development of the relevant codes of practice that will govern the disclosure, use and processing of information under these powers. In summary, we welcome several measures in the Bill, which covers a wide range of areas, but we are committed to pushing for much greater clarification and, where we can, for much more ambition as the Bill moves into Committee.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I suggest that Members speak for up to 10 minutes, including interventions. We should then be able to get everybody in.

2.7 pm

Sir Alan Haselhurst (Saffron Walden) (Con): I am grateful for this opportunity to make a contribution to the debate on the Second Reading of the Bill. I cannot help feeling the need to pinch myself when we have a Bill of this nature before us. It seems like only yesterday that we were attending protest meetings in our constituencies at which concerned parents expressed the view that the erection of a mobile telephony mast would endanger their children's health. Similarly, it seems like only the day before yesterday when we could not have imagined that the provision of broadband would create the amount of weekly correspondence to MPs that I and many colleagues now receive.

I welcome the measures in the Bill to improve the coverage of mobile telephony. Vast tracts of my constituency are untouched by a mobile signal, and that position is becoming increasingly ridiculous. I remember being on a visit to one of the poorest states in India to witness the Department for International Development-supported installation of a basic sanitation system, and I happened to glance at my mobile phone. I noticed that it had a very strong signal—much stronger than the signal in large parts of my constituency.

I do not want to talk about the history of the Bill, or to delve into the role of BT and its relationship with Openreach, but I look forward to the Bill reaching the statute book in a form that will ensure universal broadband coverage that provides a level of service that is, as far as possible, future-proof. Of course I welcome the universal service obligation. I remember thinking, when the former Prime Minister first announced this, that a universal service obligation sounds good until we remember that

many properties in this country do not have access to water through a publicly supported main and have to make private arrangements, and that many properties do not have contact with mains sewerage. We must be careful and ensure that universal will mean universal for broadband.

I keep saying to constituents that the more populous areas of the country being favoured in BT's roll-out is understandable—more income will come in and so on—but that does not take account of changes in the structure of society and in business practice. Reference has already been made to some emerging new needs. It is ludicrous that new businesses in the countryside, often occupying redundant farm buildings and working at the highest end of technology, are somehow relegated to the back of the queue when their contribution to the economy is of enormous potential. The Government and their various agencies are also increasing the amounts of data required to be dispatched and submitted electronically. Those who have read the National Farmers Union submission will know how farmers are supposed to be able to download and upload vast amounts of information. Students are increasingly reliant on submitting coursework through electronic means. There is also a growing habit, not unhelpful in dealing with pressures on public transport, of busy executives working from home for part of their week and expecting the same level of connectivity as in their city or town office. For all those reasons, we must ensure that universal means universal.

Anyone who buys a television set these days is like to buy one that is 4K UHD-enabled and with many gadgets. There will be more unrest among people who want a decent television and to take advantage of better clarity and so on if they find that the TV does not do what it says on the tin because they do not have a basic broadband service upon which they can rely.

Calum Kerr: The right hon. Gentleman raises some interesting points. Unlike sewerage and water, broadband can be delivered wirelessly, so does he agree that there is really no excuse for the universal service not being universal?

Sir Alan Haselhurst: Of course I agree with that; I am trying to argue that universal should mean universal. Ten megabits, which is frankly insufficient, is an average figure, and we all know what has been done with average figures on car fuel consumption. The 10 megabits figure must be taken with a slight pinch of salt, and we should aim for a higher standard. If we do not recognise that, we are committing people who live in rural areas to forever playing catch-up.

My other worry relates to the unevenness of provision and not simply between town and country. People are bewildered, if not downright angry, that while they are expected to wait for a 10-megabit download speed—which is perhaps all right if they, like many, get less than 2 megabits at the moment—they hear about other parts of the country, some of them rural, receiving vastly better speeds of up to 100 megabits. They say, "Why is this happening? We hear that there is a roll-out, but when will it ever reach us?" One difficulty is that the superfast roll-out depends heavily on BT's established network, which creates anomalies. One village in my constituency has three boxes, two of which have been

converted to enable a decent broadband service. The third mysteriously has not, yet it serves just as many people as the others. That creates anger in a village that is acknowledged as being rural because people ask, “Why aren’t we being treated the same?” Technical answers about historical reasons are provided when that question is asked.

There has been growth in the number of niche providers that are prepared to offer deals to people living in scattered communities. It is important that that is encouraged, but I also hear that embedded in the roll-out programme is a measure stating that if a commercial company has said that it will provide a service in a given area, no one else can touch it and the company is almost inviolate for a period of time. That cannot be right if we are talking about the urgency of getting broadband rolled out universally.

I want an end to the confusion and I want a greater degree of clarity to be introduced for people so that they understand what they can expect and how they can go about getting it. We need more local initiatives to identify alternative ways of getting superfast broadband. I have seen examples in my constituency of concerned citizens getting together and forming a working group to consider how to get broadband delivered. We should be helping them with that, not necessarily with subventions, but by letting them know how to go about it—perhaps through local authorities. We should not favour one company over another, but simply say, “These are the ways in which you may be able to get broadband faster than through the main roll-out.” That would help to diminish the growing frustration and uncertainty and would help us to enhance coverage. If the increasing number of pathways to broadband were better advertised and better explained, the Government would help more people than just through the broad roll-out programme. Everyone should feel part of our digital economy if we are putting legislation through under that name. To put it another way: we should all be in it together.

2.16 pm

Mr Iain Wright (Hartlepool) (Lab): As seems common these days with proposed business-related pieces of legislation, the Bill has several disconnected, disparate elements that come together purely for the purposes of providing and securing primary legislative time. Some elements could be positive, but several will prove problematic for the Government.

Part 1 of the Bill, which will bring in a universal service obligation for broadband, will certainly be welcomed by my constituents and not just those in rural areas such as the outlying villages of Dalton Piercy and Elwick, but in the urban part of the constituency. The right hon. Member for Basingstoke (Mrs Miller) made an important intervention earlier in which she said that many house builders are not future-proofing their stock. Some buildings and houses in my constituency that are less than 10 years have no broadband connection whatsoever, which seems ridiculous if we are trying to be a leading digital economy. I hope that the Bill’s USO provisions will address that, and I fully agree with what the Culture, Media and Sport Committee said when it agreed with the “compelling case” for establishing a broadband USO.

Part 3, in particular clause 26, which aligns online and offline copyright infringements, is another important step—there should be no distinction. I also welcome the

importance that the Bill gives to intellectual property not only in the creative industries, but as a real driver of economic prosperity. Having a comparative advantage through IP is important.

Part 5 will be difficult for the Government to justify. Sharing data and using it as a means of driving forward economic prosperity is important, but the Government have muddied the waters following the sharing of NHS data that came up a couple of years ago. That is a worry.

The Bill contains no consideration of future technology. Blockchain technology has been mentioned before and I know that the Government are aware of it. Indeed, the Government Office for Science recently produced “Distributed Ledger Technology: beyond block chain” a report which features a foreword by the current Minister, the right hon. Member for West Suffolk (Matt Hancock), and the former Minister, the right hon. Member for Wantage (Mr Vaizey). The Government are thinking about that technology and it would have been good to get some degree of what that thinking looks like and how it translates into legislation.

As I hint at, however, it is not necessarily about what is in the Bill, but about what is not in it. This question needs to be posed: do the digital policy and the Bill enhance Britain’s comparative advantage in the global digital economy? Does the Bill fill any gaps that are holding our potential prosperity and supremacy in the digital economy back? Do its provisions provide a clear strategic vision to ensure that the UK remains the destination of choice for investment and for the attraction of talent and ideas?

In many respects, we come to this from a position of strength. The Business, Innovation and Skills Committee carried out an inquiry on the digital economy, producing a report in July. We found that the UK is one of the leading digital nations in the world: our economy has the highest percentage of GDP invested in the digital economy of all the European nations; and UK digital firms are growing at two and a half times the national average, and have been since 2003. This is a source of pride and strength, and I hope that the whole House can come together on it, but I do not think the Bill helps address key challenges.

The Bill’s First Reading was on 6 July, a mere fortnight after the country voted to leave the EU and a week before the right hon. Member for Maidenhead (Mrs May) became Prime Minister. Although the proposals were very much oven ready—indeed, the Bill had the name of the former Secretary of State, the right hon. Member for Maldon (Mr Whittingdale), on it—the Bill seems to be at odds with the two preoccupations facing the Government: exiting the EU, and producing a new industrial strategy.

Yesterday, the Minister attended, as did I, and indeed as did the hon. Member for Mid Worcestershire (Nigel Huddleston), who is in his place, a round table meeting at the Google campus on the challenges facing the tech industry in light of Brexit. The Minister heard a tech entrepreneur saying that he is hoping to raise half a million pounds this year, with the aim of raising a further round of £3 million to £5 million next year. He said that potential investors are questioning whether the UK domestic market is large enough to justify funding here in the UK without sufficient access to the European single market. He said that he is facing pressure

[Mr Iain Wright]

from investors to base his business in the US. The uncertainty arising from tech firms employing digitally skilled EU migrants and the issue of having full access to the European single digital market are causing uncertainty and disruption. There is a risk that other centres, such as Berlin, will take advantage of that uncertainty, to the detriment of emerging and growing innovative businesses and business models in this country. We could have led the EU on the EU digital single market—it could be made in our image—but, unfortunately I do not think that opportunity will be afforded to us. There are real concerns about access to that single market—I hope the Minister will provide as much clarity as possible on that—and about access to talent.

There is also a mismatch, or certainly a disconnect, between any sort of industrial strategy and digital strategy. As we heard at the Google campus yesterday, businesses and entrepreneurs want to see how the Prime Minister's welcome rhetoric on industrial strategy translates into proper co-ordination, and how this will be aligned constructively with the digital strategy, which, I think the Minister will readily concede, is being hastily redrafted in light of events from 23 June onwards. A proper industrial strategy will need to have the implications of digitisation, technology and innovation running through all its activities and objectives. I appreciate that there is not necessarily a statutory need for such a pledge, although it is very clear that firms want to see clarity and a strategic vision—that is what they call for in the digital space.

As has been mentioned by my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah), the Bill also fails to address one of the biggest challenges facing a digital economy, and the changing structure of the workforce and the nature of work. Technology provides a massive opportunity for a more effective and efficient allocation of demand and supply of both labour and products, services and customers. Such disruption can be a positive thing, increasing quality, choice and service for the consumer. I want Britain to be the destination of choice for disruptive business models that help improve our prosperity. However, some platforms have shown that, far from increasing competition, some companies dominate markets and stifle or undermine competitors. Global in scale, these multinational companies often avoid national tax requirements, so that although they benefit from the social goods of public investment, such as education and infrastructure, they seek to minimise their payment to the public purse for that good.

Perhaps most concerning of all, platform companies are facilitating the rise of the “gig economy”, in which workers are reclassified as contractors and self-employed. That is not necessarily a bad thing—again, greater flexibility could be provided for workers—but these workers tend to have fewer rights to social benefits, to face greater insecurity, to have lower pay, to receive less training and to have poorer prospects of advancing in their career. Innovation should move people through the value chain, increasing their skills and wage levels. Instead, the digital economy seems for too many people to mean growing insecurity and a rush to the bottom in terms, conditions and pay.

There is a need to retrain and upskill throughout every worker's life. A Digital Economy Bill is probably not the best or only place to consider this, but the ability

of Government to maintain an appropriate regulatory regime in the face of such technology needs to be considered strategically, as does the impact of the gig economy. I know that the Minister has taken an interest in the sharing economy, but I hope he will also look at how technology and the changing world of work needs to be addressed. There are positive steps and positive provisions in this Bill, but it is rooted in the 20th century, whereas we should be thinking more about what is required for the 22nd century.

2.26 pm

Mrs Maria Miller (Basingstoke) (Con): There is much to welcome in the Bill. The hon. Member for Hartlepool (Mr Wright) mentioned the EU, and we should not forget that it was only in 2012 that this Government roll-out of superfast broadband was stuck in state aid bureaucracy; one of my first meetings when I was Secretary of State was with the Brussels officials who were deciding to stand in our way. It required quite a large handbag to get that moving, but the tenacity of the Department and, in particular, of Broadband Delivery UK since then means that now more than 90% of our premises have access to superfast broadband. The Bill will give everyone the right to fast broadband in the future, and it deserves all our support. I am glad to hear Labour's Front-Benchers say that they will be supporting it.

As the Secretary of State said in her opening remarks, at the heart of the Bill is the importance of shaping our digital world for the future and of a digitally engaged citizen. We cannot allow this to be a missed opportunity; if we are to have a healthy digital economy in the future, we need to tackle the real concerns of digital consumers and the real concerns about online abuse. If we do not do that, some people will choose to absent themselves from the online world, and I do not believe that that is right.

I will focus my comments on that aspect of the Bill, having heard many colleagues talk about a range of other issues. The Bill needs to include a clear definition of what constitutes online abuse. The criminal law is trying to tackle online abuse with a complex set of laws that predate the digital age. The number of convictions under part 1 of the Malicious Communications Act 1988 has increased tenfold over the past decade, but before prosecutions can be successfully brought, we require proof of an intention to cause distress and of gross offensiveness. The current level of prosecutions therefore probably very much underestimates the real problem that is there.

It is right that we protect freedom of expression, and that argument is made strongly when we legislate in this space, but there has never been an unfettered right to freedom of expression; with that comes responsibility, and we need to recognise that in law. The Crown Prosecution Service has used guidelines to help clarify the situation, which probably indicates to us that there are some causes for concern, because there is no substitute for making sure that the statutory provisions are clear. As the Law Commission said, there is a clear public interest in tackling online abuse, and that has to be done through clear, predictable legal provisions. This Bill provides an opportunity for such clarification, to tackle online abuse more effectively, and I hope the Minister who responds to the debate will include in his remarks what the Government's response will be.

There is an opportunity for better support to be provided to victims of online abuse, and I applaud the work of hon. Members who are here today, and of Victim Support and others, who have been tackling this issue. It is right that the Government have taken a thought-leading position on making illegal the posting of revenge pornography online, but we need to go further. We have seen more than 200 prosecutions for revenge pornography, but hundreds of victims are still fearful or unwilling to come forward. More than 1,700 cases of revenge pornography have been reported to the police in the past year, but its victims are three times more likely than other victims to withdraw or to withhold support for police action. The Bill needs to recognise that victims of online abuse and the appalling offence of revenge pornography should be afforded the same right of anonymity as victims of other sexual offences.

I am really pleased to see a commitment to tackle access to underage pornography in the Bill. Obviously, it was in the Conservative party manifesto, but it is a welcome provision none the less. I applaud the Government on the stand that they are taking here. There is not enough time to go into the details of that provision now, but I hope that the Minister will carefully consider, both now and in Committee, the NSPCC's call for more robust sanctions. We need to look at expanding the role proposed for the age verification regulator beyond commercial sites to include peer-to-peer and other communication products where pornography is routinely shown and distributed.

I realise that there are problems with regard to those who are legally accessing such products, but we must take account of the fact that, by the time children reach the age of 12, more than one in four will have already accessed online pornography. I am talking not about the sort of stuff that is on the shelves of our local newsagents, but about what others would call hardcore pornography. We tackled that issue in the Women and Equalities Committee report on sexual harassment in schools, which was published today. In it, experts widely cited the increased access to online pornography by children as helping to fuel the increase in sexual harassment and abuse among children in schools, and this needs to be taken seriously.

There is one other area on which I hope to encourage the Minister to reflect, and that is the impact on the police. The chief of the College of Policing, Alex Marshall, has said that social media complaints now make up half of all calls to the police. That is an extraordinary fact, yet the Bill makes no mention of how we can lay off some of the charges that are being incurred by the police when they deal with those who produce products that elicit this sort of illegal activity and concern from our constituents and who make a healthy profit out of their online activities. We need to consider a swift plan of action and to put in place a levy to fund additional police costs if online abuse is not tackled speedily.

The online industry is healthy, but it needs to tackle the abuses if we are to move forward in a healthy fashion. We must be clear that we will not tolerate the sort of abuse that has become routine in the past. We need to ensure that there is a co-ordinated approach to the reporting of online abuse, that we design out such abuse from products from the get go and that there is quick action to remove and sanction those who commit

online abuse. Indeed, if a code of practice for the industry is not put in place voluntarily, perhaps one should be put in place with a bit of force.

My right hon. Friend the Secretary of State knows more than many other Ministers about the impact on victims of online abuse, particularly domestic violence victims. We cannot let the Bill be a missed opportunity to encourage more digitally engaged citizens, but we must ensure that we keep those digitally engaged citizens safe and that we tackle the concerns and fears that are now starting to make up a significant part of our postbags.

2.34 pm

Chris Bryant (Rhondda) (Lab): It is a great delight to follow the former Secretary of State, the right hon. Member for Basingstoke (Mrs Miller). She has shown from what she has said this afternoon and from when she was in office the level of expertise, interest and commitment that she has in this area of work. It is always a delight to hear from the right hon. Member for Maldon (Mr Whittingdale), who, unusually, was a round peg in a round hole when he was appointed to the job, and he got a little bit rounder as the year went on. Seriously, though, it is a delight to hear from him.

We all know as Members of Parliament that we live in a digital economy, because we have so many emails from constituents and others. This email is not from a constituent, but I thought that I would share it with the House. It says:

"Dear RhonddaYfronts,

Just watched you and that other dull dishcloth of an MP on Daily Politics. You both sum up clearly why Labour will never win an election anytime soon. Uninspiring, pathetic career politicians with no substance or gravitas.

Finally, are you still on Gaydar, Grindr, or Scruff? If so, what's your profile as I quite fancy you."

Self-praise is no praise.

As the two former Secretaries of State have already acknowledged, the creative industries are absolutely essential to this country. They were worth £87.4 billion to the UK economy in 2015. Creativity lies at the heart of it all, which is why I welcome all the measures that relate to strengthening the intellectual property law. Some 355 million music tracks and 24 million films were illegally downloaded between March and May of this year. We do need to tackle that if we are to protect those who create that value—those who are at the imaginative heart of this country. My only question about clause 26 is whether the definition is strong enough, but that is a matter for us to deal with in Committee.

We also need a strong and independent BBC. This is one of my biggest disappointments with the Bill and everything that has happened since 2015. The BBC is funded by the licence fee in the main. Last year, that amounted to £3.6 billion. That sounds like a lot of money, but it is worth bearing in mind that Sky in that same year had a revenue of nearly £12 billion, three times as much, and £2 billion of profit. I do have one anxiety. I do not expect the former Secretary of State to respond to this, but I think that in his heart he agrees that it was entirely wrong and wholly inappropriate to put the payment of the over-75s' licence fees on to the BBC. Even more importantly, a part of the Bill breaches

[Chris Bryant]

the BBC's fundamental independence, because it turns the BBC into an arm of the Department for Work and Pensions, and that is wholly to be deprecated. In time, I think that the Government will regret that. There is an element of cowardice in that, because if the Government want to get rid of the free television licences, they should do it themselves; it should be a manifesto commitment in a general election, and then they should proceed. To make the BBC carry out the decision-making process on who gets a concessionary licence is wholly wrong. Incidentally, the whole deal happened after a meeting between the former Chancellor and Rupert Murdoch. It just shows that nothing ever changes in this country.

May I just ask the Minister—I hope that he will be able to respond later—when will we get the draft charter? Lord Ashton of Hyde said in the House of Lords that its publication would be in September. I hope that the Government are not intending to publish it when the House is not sitting, but they therefore have only two more days, and then we are meant to have a debate in October. [Interruption.] The former Secretary of State will doubtless tell us. [Interruption.] Perhaps the right hon. Member for Wantage (Mr Vaizey) will tell us later when he gets the chance.

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr Vaizey, I was thinking of calling you next. If you want to go down the list, carry on and I will ensure that it happens.

Chris Bryant: It is always good—is it not, Mr Deputy Speaker?—to see the right hon. Gentleman doing abject.

The digital economy is important beyond just the creative industries. We have the highest rate of contribution to our GDP of any country in Europe. Some 11% of jobs in the UK are now related to the digital economy, and that part of the economy has grown two and a half times faster than any other part. The digital economy also plays to our national strength in terms of the English language, music, drama, sport and gaming. Nevertheless, I worry that the present Government—maybe we did it when we were in government as well—are always wanting to pat themselves on the back, when actually it will be difficult, despite constant striving, to ensure that everyone can participate. There are still lots of people who have just 2 megabits per second. There are people who, when they have 10 megabits per second, will have contention rates that make it very difficult indeed for them even to use iPlayer effectively. I hope that the ministerial team will not want to keep congratulating themselves.

As I said, in many rural areas, including in my constituency, 70% of people have no access to 4G. The former Prime Minister has now left the House, but his obsession with Polzeath was never matched by success, because Polzeath still has terrible mobile coverage. As far as I can see, unless someone wants to correct me, the mobile infrastructure project was a complete waste of money—£150 million spent on 75 masts. That is £2 million per mast, by my rough arithmetic, and that is if all of them were built. It would be nice to know what has happened there.

I support the measures on pornography, to protect young people from images that would be inappropriate for them, but I, like the right hon. Member for Maldon,

think that it is too unclear how that will be achieved. If you just ask, “Are you over 18?” it is a bit like going to the United States of America and being asked, “Are you now, or have you ever been, a member of the Nazi party of Germany between 1933 and 1945?” I suspect that not many people say yes.

The right hon. Member for Basingstoke is absolutely right about online abuse. I commend her for the work that she and others have done through her Committee and elsewhere. It is very important because many people, especially women, are finding that the internet is not a safe and happy place to be. It is far from happy. She is right that there is no clear definition of online abuse. The Crown Prosecution Service guidelines are inadequate and are preventing police from investigating in many instances where they should be taking action.

A Demos study earlier this year showed that in just three weeks, 6,500 women were called “slut” or “whore” in the UK on Twitter alone. Half of teachers now report that they receive online abuse either from parents—which is scandalous enough—or from their own pupils, and very little action is taken.

Many Jewish colleagues in the House have had absolutely hideous abuse—the kind of abuse that one would have thought ended in 1945, yet it now seems to be around as part of a supposedly acceptable political discourse.

There are real jurisdictional problems. I reported an instance relating to someone who was making death threats to me into my office and, more importantly, wanted to put antifreeze in halal meat in Sainsbury's. When an attempt was made to prosecute, because the person was based in Germany, the German police refused to act, on the basis that it was just a British politician being attacked by a British national who happened to be in Berlin. I hope that the Government will examine some of these jurisdictional issues. Facebook, Apple and many others are far too slow in co-operating with the police, and I believe that what counts as evidence of ownership of a site is far too indistinct.

The internet can be an echo chamber, turning mild annoyance into a claustrophobic fury, and under the cloak of anonymity, people think they can get away with anything. We need to put a stop to that.

2.43 pm

Mr Edward Vaizey (Wantage) (Con): I am very grateful, Mr Deputy Speaker, that you only showed me a yellow card, not a red card. I will remember that.

What a pleasure it is to speak in what, I gather, is a co-paternity Bill, conceived on many evenings between me and my right hon. Friend the Member for Maldon (Mr Whittingdale). But I should point out that this is also a vengeful child because five of the nine Ministers who were present in the delivery room are now on the Back Benches or have left Parliament. I hope the Bill is kinder to its adoptive parents.

Let me speak briefly about the most important issue—the introduction of the universal service obligation. What a pleasure it is to hear Members from all parts of the House praise the Minister's very successful rural broadband programme roll-out, which is bringing superfast broadband to 19 out of 20 homes throughout the UK. They are right to praise it, because it is the most successful

Government-sponsored broadband programme in the world, and the Minister should take credit for that achievement.

I received an unsolicited email—it is a rare thing—from the director of the broadband programme in Oxfordshire. He pointed out that Oxfordshire is at 93% with 15 months of the programme still to go. Five million pounds has already come back to the county council from the Government funding and there is £2.8 million further to come—around £8 million of the public sector investment of £40 million, and he thinks that perhaps we will get it all back because of gainshare and take-up. He says:

“I cannot think of any large scale public sector contract which has delivered on time and under cost. Very good contract to work with in protecting the public purse and incentivising successful outcomes.”

I do not have a mains sewer in my house. I recall the comments of my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst). We must remember that the broadband programme is an infrastructure programme. You do not just flick a switch and deliver broadband. You have to dig up roads; you have to do engineering work. Openreach, especially the programme director, Bill Murphy, deserves a huge amount of praise for what has been achieved.

I confess that I am utterly confused by those people who want to break up BT and Openreach. Why would one simply adopt the campaign of BT's competitors? Why would one wish to break up a highly successful British company, post-Brexit when we need all the champions we can get? Why would one break up a company that has delivered such a successful programme? In the words of the chief executive of Virgin Media, an able competitor of BT, “If you want better broadband, pick up a spade.” That is my message to TalkTalk, Vodafone and Sky, who all seek for their own reasons to break up a great British company.

I have two things to say to the Minister. I firmly believe that Openreach can deliver the USO, but it will need his help in easing regulation, particularly for long line VDSL. I also hope that Broadband Delivery UK will continue its excellent work and become a taskforce. A lot of the 5% that still has to be reached is in inner-city areas, and that is usually because of bureaucratic obstacles stopping the roll-out of broadband which have nothing to do with technical challenges. A good and effective BDUK, helping roll-out in cities, would be hugely helpful.

I echo the calls about the frustration with new build. I remember dealing with Linden Homes in my constituency. For the princely sum of £6,000 it could have delivered broadband to all its customers in a multimillion pound development. It point-blank refused to do so. The attitude of too many developers is shocking. The Government refused to change the planning laws when I was a Minister. Perhaps we should look at that again.

The reforms to the electronic communications code are long overdue; we took far too long to bring them forward. They apply just as much to mobile. I recall mobile operators telling me that when they wished to upgrade a 3G mast to a 4G mast at a site in an airport, the rent went up from £50,000 to £250,000. We must reduce the cost of rolling out broadband infrastructure, whether mobile or fixed, and we cannot have our cake and eat it. I heard the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) talking about the loss to

the public sector of the £300,000 that Newcastle City Council might lose, but the gain for Newcastle City Council in easing planning restrictions would be better coverage in Newcastle for her constituents and, importantly, for her local businesses, who create jobs and wealth in Newcastle. We cannot allow the landowners to ride roughshod over this Bill, perhaps in the other place. We must reduce the cost of infrastructure roll-out. We need to continue to look at planning reform, particularly, as my right hon. Friend the Member for Maldon said, with the roll-out of 5G.

Chi Onwurah: I thank the right hon. Gentleman, an excellent former Minister, for giving way and it is good to hear a Conservative Member of Parliament taking on the landed vested interests, as it were, but will he say how this Bill will ensure that the benefits of reduced rentals accrue to the users of mobile phones, not simply the mobile operators?

Mr Vaizey: Benefits will accrue to mobile phone users through improved coverage. The hon. Member for Rhondda (Chris Bryant) mocked the mobile infrastructure roll-out plan. He got his facts wrong, but that brought home the huge cost and complexity of building those networks. Anything we can do to reduce the cost of roll-out will help the consumer in terms of coverage and, hopefully, cost.

I fully support the measures on age verification and the upgrading of the offence of copyright infringement. It is interesting that hon. Members on both sides of the House have called for a general debate on internet regulation, which is what that is. It will come more and more to the fore. I echo the comments of my right hon. Friend the Member for Basingstoke (Mrs Miller) and others. It is almost impossible to deal with social media companies. They are like giant children. Suddenly they have 300 million users or 1.2 billion users, and they have to make up some of the regulation as they go along. There was the recent controversy when Facebook banned the iconic photograph of the child in Vietnam. The Government need to work, and work quickly, with those organisations, but even bringing them to the table causes some difficulty.

I fully support the measures on data sharing. That is a huge prize, but we must recognise the concern of consumers about having their private data used. This is about using anonymous data and breaking down the barriers between Departments, which can only benefit citizens.

Let me briefly echo one or two concerns. I had a huge amount of sympathy with what the hon. Member for Rhondda said about free TV licences being imposed on the BBC. It had nothing to do with Rupert Murdoch, by the way, and everything to do with saving money on the welfare bill. It is wrong that we are leaving the decision on free television licences to the BBC. It should be a decision for the Government. There are plenty of ways of updating and refining the way in which the free TV licence currently works, without getting rid of it. The Government should take back not the cost of the free TV licence, but responsibility for the policy.

As Ofcom takes on BBC regulation, I have some concerns that if it takes on the regulation of BBC websites, we will see press regulation by the back door. The press has been assiduous in not allowing its websites

[Mr Vaizey]

to become quasi-broadcasting sites, which would therefore be regulated by Ofcom. With Ofcom regulating the BBC, we must be cautious that we do not inadvertently bring in statutory regulation of the press, which I would oppose.

2.52 pm

Sarah Champion (Rotherham) (Lab): I shall speak on part 3 of the Bill, but I should like to put on record my support for the recommendations made by the right hon. Member for Basingstoke (Mrs Miller). We need to use the Bill as an opportunity to examine all online abuse, because although the Government say that the police have powers under existing legislation, they are not using them. To have that on the face of the Bill would be a powerful statement. Online abuse is eroding the lives of many people.

A key role of this House must be to prevent harm and tackle the threats faced by children, both online and offline. The scale of online abuse and exploitation, and the proliferation of pornography and violent sexualised imagery among children, has reached endemic levels. This Bill presents us with an opportunity to offer protection to all children, and I urge this House to do so. Children are at risk every day from predatory abusers who seek to exploit and manipulate their vulnerability. According to the Internet Watch Foundation, in 2015 over 68,000 URLs were confirmed as containing child sexual abuse imagery. That figure is up 118% since 2014. We have to recognise, however, that child abuse and exploitation perpetrated by adults is only one aspect of the many threats faced by children online.

Children make up a third of internet users, and they have never had better access to the internet, with 65% of 12 to 15-year-olds owning smartphones. Their access is often unfettered and unrestricted. A study from the National Society for the Prevention of Cruelty to Children and the Children's Commissioner for England found that, of the 1,000 children aged 11 to 18 questioned, over half had accessed pornography, with 94% doing that by the age of 14. Those children were not necessarily seeking out pornography online. Their access was often inadvertent, through a pop-up or while searching for other content.

The growing body of evidence proves to us what we already know. Pornography impacts on the development of children, particularly their understanding of what constitutes healthy relationships, consent and sex. The NSPCC and Children's Commissioner study found that more than half of the boys questioned believed that the porn that they had seen was realistic. In a Girlguiding attitudinal survey, 71% of girls aged 17 to 21 agreed that online pornography makes aggressive and violent behaviour towards women seem normal.

The consequences of this online material is reflected back as a reality offline. Violence against girls starts at an early age. The Home Office's 2010 "This is Abuse" campaign found that sexual violence happened to one in three girls and one in six boys.

Through exposure to online pornography from an increasingly young age, and messages conveyed in the media, children are growing up believing that violence and non-consensual sex is not just normal, but to be expected.

The proposals laid out in part 3 to limit children's access to commercial pornographic websites are welcome, but they do not go far enough. The Government are to be commended for recognising that the internet needs regulation to protect children. Just as children are protected offline—through restrictions on access to sex shops, for example—the provisions in this Bill are an important first step in creating a world in which children are also protected online. They are, however, only a first step. Parity of protection for children between the online and offline world can be better achieved if the Government strengthen these provisions in Committee.

Steve McCabe (Birmingham, Selly Oak) (Lab): Does my hon. Friend agree that the key element that is missing is that companies should be responsible for the content that they host, and that that is the route to protecting children and others from online abuse?

Sarah Champion: Indeed. My hon. Friend makes a valid point. I do not believe that the Bill goes far enough, but it has the potential to do so.

As currently set out in the Bill, the age regulator covers only commercial pornographic sites. This is not typical of the way in which children access or share sexualised, pornographic and other age-inappropriate content. Will the Minister commit to extending the role of the regulator so that it also covers user-generated sites and peer-to-peer services, such as live streaming and video chat sites, and avoids any unnecessary loopholes that could lead to the legislation being deemed invalid?

The powers of the regulator as set out in the Bill are extremely limited. They provide legal cover only for payment service providers that break their contract with non-compliant commercial pornographic sites. Will the Minister expand the role of the age regulator, to ensure that it has the power to issue fines and enforcement notices, and to enforce the withdrawal of payment services? Online abuse is a problem the world over, and the internet does not respect international borders. Will he therefore give the regulator powers to block sites outside the UK's legal jurisdiction which do not comply with UK regulations?

Part of the solution must be to support parents to feel confident in understanding the dangers posed by the internet. According to Barnardo's, half of young people living at home report that their parents know only some of what they are doing online. Will the Minister consider including provisions to provide up-to-date information for parents about parental controls and other ways of restricting children's access to potentially harmful content, and supporting parents to recognise the dangers faced by their children online?

Finally, preventing access to pornography and indecent material is vital, but it is also necessary to give children the resilience to challenge and contextualise what they see online. It is my view and that of all the major children's charities that the best way to do this is by providing all children with age-appropriate resilience and relationship lessons as soon as a child reaches school age. This would allow children to see pornography for what it is—a fantasy that predominately subjugates and abuses women.

Girls and boys must not grow up believing that violence and non-consensual sex are normal or to be expected. Sadly, though, that is exactly what the young

people I speak to believe. That is echoed in the Women and Equalities Committee's report on sexual harassment in schools, which was released today. My final request is for the Minister to add provisions to strengthen the content of the e-curriculum taught in schools at all key stages. This should include recognising abuse and exploitation online, mitigating risks and using the internet safely and responsibly. Giving children the knowledge and tools to contextualise pornographic content and to challenge abusive behaviour is the best way to empower and protect them.

2.59 pm

Damian Collins (Folkestone and Hythe) (Con): As has been acknowledged by Members on both sides of the House, the creative economy in the UK is fast-paced, dynamic and world-leading; it is growing faster than other sectors of the economy. Britain leads the world in many areas of online retail. Tech businesses and tech hubs have been a part of the regeneration of many of our cities, and London has established itself as one of the most pre-eminent cities for technology and the digital economy in the world. We are rightly world-leading, and we should be proud of that. However, it has been said as well that this is an incredibly fast-paced part of the global economy, and we cannot afford to stand still and not respond to the challenges of the growing digital economy and the need for better infrastructure to support businesses and homes up and down the UK.

I welcome, as many speakers have, the measure in the Bill to bring the infringement of copyright offline and online into sync and to greatly stiffen and strengthen the penalty for it. Having a 10-year sentence for online infringement of copyright—similar to that for offline infringement—is absolutely the right thing to do, and I congratulate the Government on bringing that measure forward.

Protecting the IP of creators is an important part of the success of the creative economy, and so is creating the infrastructure necessary for businesses to compete in the digital age and for homes to receive the connectivity they need to access the services they rely on and the content they enjoy. Openreach has been a key part of the delivery of broadband services in this country; it is right that it has been part of our debate today, and it was a key part of the recent inquiry by the Culture, Media and Sport Committee. There are undoubtedly challenges for Openreach in its customer service. I think all Members who have engaged with BT on behalf of their constituents would say there is room for improvement in customer service, and when BT has come before the Select Committee it has recognised that. It is not alone in being a provider that needs to improve on customer service.

However, the challenge and the question we face is, how do we complete the final 5% of the delivery of superfast broadband in this country as quickly and as effectively as possible and continue to improve services for other customers too? Is that job made easier or harder by the separation of BT from Openreach? Of course, as the Secretary of State rightly said in her opening speech in the debate, nothing should be off the table. There are stiff challenges for BT and Openreach to meet, and Ofcom is overseeing that as well. They have to work harder to improve customer service and the service that they offer to other corporate customers—

other providers they work with. However, we are better able to extend the coverage of our network to meet the USO with Openreach operating inside the BT group. However, if it cannot meet the targets they have been set, nothing should be left off the table, as the Secretary of State rightly said.

The USO itself is widely welcomed by Members on both sides of the House. There are key questions, obviously, to be resolved. First, who will deliver the USO? My right hon. Friend the Member for Wantage (Mr Vaizey) rightly said that it could be Openreach, and BT has said itself that it could deliver it, but that question still has to be resolved. Who will be the deliverer, and how will it be paid? The Government's preference is naturally for an industry-led solution, and the Select Committee supported that view in its recent report. However, the delivery of the USO has to be affordable; there is no point having a notional legal right to have access to superfast broadband services if no one will pay, or can afford to pay, for their delivery. That remains one of the questions that has to be answered. I know that Ofcom is consulting on the delivery of the USO, and that will be one of the important questions it has to consider.

In the Select Committee investigation, we also looked at over-building, which is an important part of the delivery of the final 5% of broadband services. There are many smaller providers that may be prepared to go into a community that is currently poorly served by internet provision, but they are reluctant to do so because they do not know whether Openreach is about to go into the area itself, and Openreach—because of market sensitivity—has been reluctant to share information and maps showing where it intends to go next. We are now dealing with some of the most marginal areas in the country—areas that have so far been excluded from the roll-out of superfast broadband and that were not prioritised in the Broadband Delivery UK roll-out because they are so marginal. I do not believe that the commercial sensitivity and the cost to a provider can be so great that that provider cannot give communities certainty about whether they are about to benefit from the further roll-out of superfast broadband and, if they are not, whether another provider may step in and provide that service instead. At the moment, the threat of over-building has held people back.

In the delivery of the USO—certainly if it is supported at any level with public money, just as the roll-out led by BDUK was—it is also right that we consider whether we are subsidising areas that are already commercially viable and that are part of the Openreach plan, but that should perhaps have been taken out because someone else would have come in to provide services. That money could have been used to support another site. I accept what the former Minister, my right hon. Friend the Member for Wantage, says—that a substantial amount of clawback money has come from the Openreach contracts, and that will be reinvested. However, there have been cases—we certainly saw cases in the Select Committee—where the Openreach roll-out through BDUK went into areas that could have been supported by commercial operators, and we do not want to repeat that.

With regard to Ofcom's role in overseeing the BBC, it was right that the BBC Trust was replaced with a new body. It is right that Ofcom should be the body that oversees complaints to the BBC. There is one very

[Damian Collins]

important area where I would certainly welcome greater clarity, and it is going to be one of the thorniest areas that Ofcom has to deal with. Ofcom is responsible for evaluating distinctiveness in BBC content—it will be required to give rulings on that. That is very different from black and white breaches of a code; it involves a very subjective view. How that subjective view can be consistently enforced and delivered by Ofcom remains to be seen, but it is a very important area.

The former Secretary of State, my right hon. Friend the Member for Maldon (Mr Whittingdale), touched in his speech on the question of appeals against Ofcom rulings. Part of the Bill changes the nature of appeals against Ofcom rulings so that it is not a question of the merits of the argument, but really a matter of law, as it would be in a judicial review, as to whether Ofcom is right or wrong. In the past, there have been cases where Ofcom has got it wrong, and the Competition and Markets Authority has come in and told Ofcom that it has got it wrong. We do not want to see a situation where the wrong ruling is given and no challenge can be made to it because there was no fair judicial process. Ofcom should give greater consideration to the views of other authorities that regulate competition and markets before coming to a decision. I understand the point that we do not want vexatious and spurious appeals constantly made to Ofcom simply to delay the inevitable enforcement of the right decision, but at the same time we want to make sure that Ofcom is getting the decisions right and taking on board all relevant pieces of information.

Finally, I would like to add my comments to the argument made by other Members—the hon. Members for Berwickshire, Roxburgh and Selkirk (Calum Kerr) and for Rotherham (Sarah Champion)—about online pornography. I certainly support the measures in the Bill to have age verification on pornographic websites, but there have to be some teeth to the enforcement of that. If an offshore operator simply refuses to comply, what would be the sanctions? Yes, it is great that information is shared with PayPal or a credit card operator, but are they required in any way to stop payments to the site? The ultimate sanction, of course, would be site blocking as well. I appreciate that that can be a bit of a wild west when we are dealing with offshore operators that can consistently change the services they offer, but there have to be some teeth; otherwise, offshore operators will simply pay no attention, and we will not have made the progress that we want. However, this is an important issue; I am glad to see it on the face of the Bill, and I would certainly welcome more guidance from Ministers as we go through this debate.

3.8 pm

Thangam Debonnaire (Bristol West) (Lab): I rise to speak about part 4 of the Bill and in support of musicians, singers, composers and others in the music industry who create and perform music for our pleasure. In the context of the Bill, that means asking the Government to use this opportunity to strengthen existing measures to ensure that artists are properly remunerated for their work online, which they frequently are not.

First, however, I must add that the measures in part 3, in relation to pornography, are a welcome step, but they are nowhere near enough, as other hon. Members

have said. I will not discuss these measures at length, and I just want to add my support to the things that the right hon. Member for Basingstoke (Mrs Miller), my hon. Friend the Member for Rotherham (Sarah Champion) and others said about the deficiencies of the Bill and about aspects of online abuse. Before I was a Member of Parliament, I worked with men who had abused their partners, and I can provide lists of examples of their use of the internet to track, harass, shame, bully, threaten and abuse their ex-partners. I can also say that many of them, unfortunately, learned their ideas about sexual behaviour from pornography—frequently, violent pornography. The Government have an opportunity that they can grasp. It is not easy—I am not saying that there are simple solutions—but I really add my voice to those of other hon. Members, and I know that the Secretary of State, with her track record on tackling violence against women and girls, will be open to listening to our suggestions.

I must declare my musical interests. I was once a professional musician and a member of the Musicians' Union, which therefore did make a donation—declared properly in the Register of Members' Financial Interests—to my campaign last year. I am married to a professional musician. Many of my friends and family are also musicians. Having declared my interests, I have to say that I am speaking today about the rights of workers, who include many in my own constituency, to be properly paid for their music, and to support the huge contribution the music industry makes to our economy. I ask the Government to improve on what is currently in the Bill and to do everything they can to stop illegal downloading and piracy.

We all have music in our lives. Special memories always have a specific song playing in the background. Special occasions include a well-chosen piece of music. As I walked to the bus this morning, I had a tune in my head. Whether we love opera or indie bands or can remember all the tunes from “Singin’ in the Rain”—I can—music is a huge part of our lives. The previous Labour Government invested hugely in the arts in a range of ways, and the arts have given a great return on investment. For that to continue, musicians and the creative industry, and every part of the supply chain, have to be properly, fairly and legally remunerated for what they create, whether it is online, in live performances, or in sales of physical recordings such as CDs. This Bill provides a great opportunity for the Government to help to make sure that this happens online. Yet, unfortunately, the content of part 4 leaves so much that could still be done. I hope that we will discuss that in Committee.

I am pleased that clause 26 amends the current legislation on copyright to bring online criminal penalties for copyright infringement in line with off-line penalties, with a maximum of 10 years' imprisonment. This will target anyone who infringes copyright in order to make a commercial gain. However, I wish to stress to hon. Members and to members of the public that this is not to catch out people who download music and unwittingly download or stream something illegal. I want to make that clear in adding my support to this measure. As far as I understand it, it targets the criminals who make money from distributing music to which they do not have the rights.

Karen Bradley *indicated assent.*

Thangam Debbonaire: I am getting nods from the Secretary of State, so I am glad that I have got that right.

The Bill could and should be a vehicle to boost the UK's creative industries and the legal economy, and reduce the proliferation of illegal content online. I would like the Government to consider adding two things to the Bill. First, I ask the Secretary of State to consider making online providers who make music available on their sites legally liable to ensure that that music is legally available. This would mean that they would need either to obtain relevant licences or take active steps to prevent infringement, and could not take any advantage of the safe harbours provision in the e-commerce directive, which was written many years ago and no longer covers what we need today.

Secondly, I would like the Secretary of State to consider imposing a code of practice between online intermediaries and those who hold the rights to music in order to deal with piracy if voluntary talks fail. As my hon. Friend the Member for Rhondda (Chris Bryant) said, this is not just about music, and he mentioned films. My hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) referred to e-books. There are many art forms to which this could apply. I am taking music as an example, but it could do the lot.

Estimating the loss to the legal trade in music through piracy is difficult, but using data from Ofcom, there is evidence to suggest that the losses could be anything between £150 million and £300 million a year. Whatever the true scale of the figure, this is a significant loss to the UK economy, to music producers, and above all to the musicians and the artists who make the music.

Online copyright infringement is as serious as physical, off-line copyright infringement, as others have said in relation to online pornography or other aspects of the internet and the digital economy. It is as serious as that. One would not expect to walk into a shop and remove a CD without paying, walk into a club or a local live venue and not pay your door fee, or walk into an orchestral concert without a ticket. The two things are exactly the same.

I have often heard it said that the online world is impossible to regulate—that it is a sort of modern-day wild west. Well, as anyone who loves western movies as much as I do knows, the wild west was eventually tamed—sort of. The good guys do eventually win, usually, and the bad guys usually get taken out—they do in *Morricone* films, anyway. [*Interruption.*] Yes, with great music. It is not always the sheriff who is successful in asserting good over evil, and in the online world it does not necessarily have to be the law that intervenes and pursues prosecutions to make it work. Nevertheless, we do need that regulation. Music lovers themselves want to make sure their loved bands and artists are paid properly, and they know that they can be if they pay through legal download sites or through ad content. Musicians and the industry have done well out of an increase in digital music, some of it free to download or available on a subscription service.

Steve McCabe: My hon. Friend is making a very clear argument about fairness that will have support across the House. Does she agree that a very simple

move by the Government would be to extend the public lending right to off-site e-book lending, as that would correct an error that was never intended?

Thangam Debbonaire: My hon. Friend makes an excellent point and I completely agree. As I said, the arguments I am making about music can equally be applied to books, to films, and to other art forms.

When music lovers see ads in front of streams of music, they expect that what they are hearing will be legal and that the ads are helping to pay for this. When they use a well-known search engine, which I will not name, to find a piece of music they like, they expect that the links will take them to legal sites where the music industry is properly paid for their work. However, that is not always the case. This is where we have to intervene, as lawmakers, to provide a proper framework for the online wild west.

In some parts of the online world, co-operation is working. For instance, internet service providers are co-operating on the “Get It Right From A Genuine Site” campaign, which helps to educate consumers about the importance of legal sources. However, there is still no clear agreement with the search engines. This is despite a Government-chaired round table process that has been discussing the problem for several years. The search engines need to do their part, now, because the UK Music report published yesterday showed that music contributed £4.1 billion to the British economy last year. We need it to do more, and it can through an online presence.

A thriving digital economy requires each part of the value chain in music production and consumption to get its fair share. Huge global companies that are not paying their fair share for the use of the UK's music on their platforms should be made to do so. This needs to be resolved to ensure a fair digital economy in the UK, with fair rewards for musicians. I could make plenty of detailed suggestions, and I look forward to the opportunity to do so in Committee. I hope that the Secretary of State will consider what I have said about the need for proper remuneration for musicians and those involved in other art forms online.

3.17 pm

Scott Mann (North Cornwall) (Con): It is a pleasure to follow the hon. Member for Bristol West (Thangam Debbonaire).

This Bill deals with an important issue for very many of my constituents, thousands of whom will be affected by it. It will be welcome news to all those who have written to us about rural broadband. As a large and rural area, North Cornwall faces the typical challenges that other rural parts of Britain face when trying to modernise and to embrace new technologies and infrastructures. North Cornwall fortunately benefits from a county-wide roll out of superfast broadband, which has reached about 95% of households. That has definitely helped many people across Cornwall to be better connected with friends and family, and services and businesses. It is no secret that Cornwall has lagged behind in terms of economic growth and development. The provision of superfast broadband will undoubtedly address that important issue and improve the situation, particularly in supporting growth for small and medium-sized businesses and local enterprises.

[*Scott Mann*]

Many people, however, are not so lucky. Scores of people across North Cornwall's countryside, moorland and remote coastal areas not only lack access to superfast broadband, but lack access to a basic and reliable broadband service. For example, numerous farmers have written to my constituency office to complain about having to submit their basic payments and not being able to access broadband in order to do so. Numerous small rural businesses that need to submit VAT returns and advertise their services through attractive internet websites have also reported poor internet speeds. Families in small villages who want to shop or speak to loved ones all over the world all too often cannot get access to these services.

Andrew Bingham (High Peak) (Con): My hon. Friend makes a very good point. My constituency is not like his in many ways, but rural it certainly is. As we, as a Government, are trying to get more people to do more things online, it is completely counterproductive not to give those in rural areas the broadband they need for that.

Scott Mann: I completely agree. We need to get the same access that all urban areas have, because otherwise we cannot compete on a level playing field.

Every week, my constituency office is contacted by people who have consistency issues with their broadband reliability and are not receiving the speeds they paid for, or look on in frustration as they are told by the superfast broadband companies that they cannot have broadband and yet their neighbours on the other side of the road can. In fact, my office has created a broadband not-spot map to highlight which constituents have poor broadband speeds, because we have not been able to access that information through our superfast broadband provider. That is shocking and the map is becoming substantial.

This digital age fundamentally changes how we operate in our daily lives. Like water, gas and electricity, broadband is now a necessity and has become part of the progressive society. That is why I am delighted with the Government's introduction of the universal service obligation, which gives my constituents the protection they need for a decent broadband service, and of the electronic communications code, which emphasises the provision of broadband and mobile internet.

I understand that the USO aims to provide 10 megabits per second, which is enough to do tasks such as sending emails and browsing websites. That will help many farmers, businesses and households in my constituency to access a level of broadband that they should expect to receive, and it will also allow them to provide their services and to hold the service providers' feet to the fire. However, paying for a 10-megabit connection and receiving only 0.1 megabit is completely unacceptable, so it is right that we place a statutory obligation on service providers. Farmers are increasingly reliant on broadband. A recent survey by the National Farmers Union found that 58% have speeds of less than 2 megabits per second.

Given the access to streaming video capability that we now demand from our internet, whether we access vital services to engage in e-learning, to catch up on our favourite programmes on Netflix or other providers,

or to play fast-moving computer games, the USO is more important than ever. Therefore, I urge the Government and Ofcom to be bold and ambitious with the universal service as it starts to take shape.

If we could get a guaranteed household speed for farms and businesses in North Cornwall of at least 15 instead of 10 megabits per second, that would ensure that all of the satisfactory internet speeds could be considered to be faster and that they would not be lagging behind some of the speeds offered by some superfast broadband providers.

I appreciate that 10 megabits per second is good, but in reality it may well be outdated by the time this Bill comes to fruition and we may need to address the more modern demands of internet service users. I hope that the Secretary of State will give an assurance that the Government will consider higher broadband speeds as this Bill progresses and as they and Ofcom develop the USO.

Furthermore, will the Secretary of State explore the possibility of making superfast broadband a statutory function for all new build properties? The utility should be a lawful requirement so that families and businesses can use it immediately. That would also lower the cost for some service providers. I raised that point recently during questions to the Department for Culture, Media and Sport, and I am keen to hear whether the Secretary of State will consider working with the Department for Communities and Local Government to amend the Bill and make superfast broadband a statutory requirement for all new build properties.

I also welcome the Government's plan for a new electronic communications code to enhance the provision of broadband both on the ground and in the air. Mobile signal and mobile broadband coverage in North Cornwall is an ongoing issue that needs to be addressed. The hon. Member for Rhondda (Chris Bryant), who, sadly, has left the Chamber, mentioned Polzeath. When the former Prime Minister was there on holiday, he was unable to access mobile phone coverage. That is an issue that affects everybody right across Cornwall. The Bill will help coastal communities in particular and those areas of outstanding natural beauty that have to have mobile phone masts, which present a huge problem in terms of planning applications.

It is critical that we continue to improve all forms of communication, as there are many areas in North Cornwall that lack both broadband speed and mobile phone reception. It is imperative that our mobile operators can erect masts in new areas, to deliver better broadband speed in a number of different ways. As with broadband, farmers are becoming more reliant on a decent mobile phone signal. A recent NFU survey suggested that only 32% of farmers across the country had access to a good signal. Given that farmers are often out working on their own, we should try to take that important step. With superfast broadband being rolled out across North Cornwall, it is becoming easier for mobile phone operators to site masts in rural areas and to cover 3G and 4G internet.

The Government have embarked on a £5 billion investment programme to improve mobile infrastructure. The new code will go further by reforming the old and complex code, which the Law Commission said was "complex and extremely difficult to understand".

The new code enables operators to upgrade their equipment without having to consult landowners, which can result in disputes and higher rents, as other Members have said, and can cause higher bills for customers and a less reliable service. Concerns have been expressed by the Country Land and Business Association. It is important that operators continue to have a healthy dialogue with landowners, even if statute does not necessarily demand it. By continuing to roll out better mobile coverage, especially in areas such as North Cornwall, we should seek to benefit not just residents, but tourists who come to those areas. By improving the signal in many areas on North Cornwall's coastline, we will improve Cornwall's tourism offer.

Phone signal is also very important for communications by the emergency services, and enabling further coverage across North Cornwall should help to keep Cornwall safe. Coastguards have no mobile phone access in many of the areas of outstanding natural beauty on our coastlines, which presents a huge problem.

On our railway services, we rely on phone signal and fast broadband speeds, whether directly to our phones or via the train's onboard wi-fi service. As a regular user of the railways, I know the frustration that many passengers feel when they constantly lose mobile phone signal or wi-fi internet service. Having communications on our trains is imperative to remain productive on long journeys, especially in the south-west, where rail journeys are often longer due to lower track speeds. I hope that the Government will work with the phone and train operators to improve the provision of mobile coverage across the whole of the south-west.

Ultimately, I am keen to see North Cornwall embrace the digital economy for day-to-day communications and to attract more information technology, coding and gaming companies to the area. North Cornwall is strategically located near the A38 and A30 trunk roads, and it is well situated between two regional airports. It is a good home for IT companies that want to benefit not only from good internet connections and transport links, but from living in a fantastic place.

The south-west already hosts many people in the digital sector. In 2014, the number stood at 80,000 employees. With its expanding superfast broadband network, North Cornwall and the wider community has huge untapped potential.

I support the Bill and thank everybody for listening.

3.26 pm

Fiona Mactaggart (Slough) (Lab): I am sad that the Secretary of State has just left the Chamber. I have spent the last year causing her problems on the issue of modern slavery, but I have to say that she was really dedicated to trying to eradicate modern slavery in Britain. She did her best to make a difference. She has left behind the Minister for Digital and Culture, with whom I worked on the Public Accounts Committee and who is distinguished by his brains, so I hope that, having heard the debate, to which there have been many significant contributions, he will agree to make shifts in the Bill.

On digital access, I represent a town in the Thames valley and it is one of the most productive towns in Britain. Slough makes more profits per resident than all but two other places in the whole of the United Kingdom. Yet new developments in my constituency do not have

access to superfast broadband, and the residents in those developments just do not understand why that is the case. It would have been simple for this Bill to include a requirement that any new build development should have superfast broadband connectivity.

That is one big gap, but I want to spend my time reflecting on the provisions in part 3 of the Bill, which I welcome. I was pleased to work with the hon. Member for Devizes (Claire Perry), who, when she was first elected, took up with a passion the protection of children from online pornography. We had a series of hearings, and we came up with some really useful proposals, some of which have clearly fed into the Bill.

I also welcome the report by the Women and Equalities Committee which came out today, on children's access to pornography. I helped to persuade the House authorities to establish that Committee, and it is proving its usefulness well. The report provides clear evidence that watching online pornography is significantly associated with higher rates of self-reported sexual violence perpetration. Young boys get a completely distorted view of sexual relationships because of online pornography. It is a shocking thought that a young man or woman's first introduction to sexual relations is via pornography, which makes young men think, for example, that women's body hair is unusual. As Laura Bates said in evidence to the Select Committee, it gives them very strange ideas. She told the Committee:

"I was in a school where a teacher told me they had recently had a rape case involving a 14-year old male perpetrator. One of the teachers had asked him 'why didn't you stop when she was crying?' and he had replied: 'because it's normal for girls to cry during sex'."

That is why getting this right is so important, and I am very glad that the Government have taken these initiatives.

I was impressed by the Tory manifesto, which contained a commitment to

"stop children's exposure to harmful sexualised content online," and this measure is clearly the way in which the Government seek to do so. The Government's impact assessment of the Bill states that the purpose is merely to nudge online pornography providers to comply and introduce age verification, however, which is far more limited than what was offered in the manifesto. One of the things we know about nudging is that well set up and properly structured companies based here in the UK will be nudged, but the problem is that online pornography providers are very often not like that. They are often based overseas, they are often not well set up and they are often used to trying to evade the kinds of controls that we are discussing.

I am concerned that the age verification provisions, which I warmly welcome, do not include a requirement that ISPs should block access to non-compliant or illegal sites. I had a useful meeting with the Minister and his officials, for which I am grateful, where I was told that when the regulator published a list of non-compliant sites, payment companies would withdraw payment facilities and advertisers would withdraw advertising, and that that would do the trick and convince the sites to introduce age verification. I agree that it will, in some cases, but in some cases it might not.

What happens then? The Bill is silent on what happens then. Clause 22 provides only that the regulator can notify that a site is not compliant, and not that he can

[*Fiona Mactaggart*]

require companies to refuse payment or ensure that those sites are blocked. I am sure that the credit card companies and others will do the right thing, and in most cases that will be enough. But what about the sites that do not depend on any UK-based credit card companies, or that use Bitcoin or other non-UK-based financing systems? That is where it can all break down.

The Government are just wrong to believe that the ISPs will block access to such sites on a voluntary basis. They do so in relation to child pornography, but the point is that child pornography is, on the face of it, illegal and an abuse of a child, whereas we are talking about content that is not illegal for adults to view, but that children should be protected from. That is why the power to require blocking is needed. Leaving such matters on a voluntary basis is dangerous, and is contrary to good government. We know that, although some companies will comply, those based overseas that do not want to—they are the least likely ones to comply—will be able to avoid doing so. There should be a mechanism that is justiciable, in which people can appeal and cases can be sorted out properly, not on the basis of informal agreements.

I hope that the Minister—as I have said, he is a clever and thoughtful man—will make sure, as the Bill goes through the House, that the regulator is given a residual power, if companies are not compliant, to force payment bodies to refuse payments. That could deliver what we are talking about, and there could also be an appeal mechanism. The Government could actually do their job, rather than hope that people not working in a pro-social way can be encouraged to do the job for us.

3.35 pm

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): It is an honour and a pleasure to speak in this debate. Broadband connectivity is possibly the most important issue at every level for my constituents in north Northumberland. I thank the former Minister, my right hon. Friend the Member for Wantage (Mr Vaizey)—he is not now in the Chamber—who listened endlessly to requests from me and my constituents for a universal service obligation to ensure that those who live in our most rural communities have access to decent broadband.

The concern brought to me, which I have raised, is how robust the right to request, under a universal service obligation, broadband with a speed of 10 megabits per second will be, given the reality of access to the system. The first point I ask the Minister to consider—it has been raised by colleagues—is that, by the time the Bill is enacted and we can move forward, 10 megabits per second will be well below a realistic level. How might we benchmark that number today, so that we will have a number to which we can relate in two or five years' time?

Matt Hancock: May I say, because this issue has come up several times, that the Bill proposes to put the speed into secondary legislation precisely so that it can be updated appropriately? The figure of 10 megabits per second, which I have described as the absolute minimum, is the Ofcom definition of what a family

currently needs. I think my hon. Friend will see from what I have said the direction in which things are heading.

Mrs Trevelyan: I thank the Minister for his intervention, which will very much reassure those for whom that matter has not perhaps been made as clear as they wish it to be. The key will be to support Ofcom's proposals, which I understand we can expect at the end of the year, so there is clarity and we can control the situation.

In Northumberland, BT has done an enormously good job in very difficult technical circumstances. When the telephony system was installed back in the 1950s, a cabinet was put at the end of almost every street in Durham, but one was put in only every 10 to 20 miles in Northumberland, with very few copper cables going on for miles and miles. This is proving a very serious challenge for BT in meeting the needs of farmsteads that might now have nine or 10 homes, where in the 1950s there was one farmer who perhaps did not even want mains electricity at that time. We have some real engineering challenges in Northumberland, but I want to put it on the record that BT and Openreach are doing an incredible job in trying to find ways to meet them.

One issue that has not been raised in any detail is the gainshare programme. The BDUK money, which has been rolled out through BT to reach some of my constituents, will not come back in at the speed we would like unless the offer of broadband, where it exists, is taken up by my constituents. The Government need to think carefully about how they get across the point that if broadband is available in a community—it is available in many places, although not nearly enough across Northumberland—people must change their contracts to one involving broadband to ensure that the gainshare will come back in for the rest of the community. The iNorthumberland team at Northumberland County Council have worked tirelessly alongside me for four years in my broadband campaign to drive it out, in spider's web fashion, to our smaller and smaller communities, but we are definitely not there yet.

The target of reaching 95% by 2017 is very unrealistic in my patch, and we need to review it. The reality is that superfast broadband will continue to expand. Where broadband already exists, superfast broadband will continue to expand, which is fantastic for such constituents. However, it is not good, while superfast broadband keeps expanding, if we cut off more and more small communities as a result because they have not been able to put in place the infrastructure for it.

The challenges of using technologies other than fibre to do that are real. In Northumberland, bizarrely enough—we tested it in my own home—the satellites leave us caught between two different beams, so satellite broadband does not work very well. The idea is good, but in practice we are stuck between the two beams. To be fair to BT, it looked at the three villages where we had done some work and has supported trying to drive forward work to get fibre a little closer—the distance is down from 9 miles to 6 miles—to improve things.

There are also some real challenges with point-to-point wi-fi. The Northumbrian hills are quite a long way from one another. In some landscapes in the UK, the hills are closer together and point-to-point may well work much more effectively. In my constituency, the hills are large and at great distances, and the signal fades, so we will

not get the impact that we need for those living in rural communities. Up the Coquet valley, farmers and their families are several miles—an hour and a half in the snow—from the next community, village or farm, but they need that comms technology available to them.

We have to find ways to ensure we have one-off investments. In the '50s, some farmers said that they did not want mains electricity, but people will invest in and support the costs to get fibre to far-off communities, to ensure that we do not cut them off. Northumberland gets 7 million tourists every year. They all expect that there will be broadband and wi-fi in the houses they rent and the hotels and bed and breakfasts that they stay in, but it simply is not there, in the most beautiful parts of the county. We need to make sure that the investment is driven right through.

My constituency neighbour, the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), mentioned that we always talk about download speeds, but for business development, upload speed is a vital part of the data process. We must make sure that that is understood. I would like to see it specifically in the Bill. Download is only one part of the process. It is great for streaming films if someone has 10 megabits—or so I am told; I can only get about 4 megabits in my house—but without a very good upload speed, we will not be able to get any kind of business development into rural communities. We want to broaden the engagement of those businesses in our rural communities.

As was said earlier, people who work a four-day week in their office in Newcastle, let us say, but for the sake of their quality of life want to spend three days a week working from home cannot possibly do that work or upload the documents that they need to upload without that clear upload speed of 10 megabits per second. In some of the larger villages in my constituency, the upload speed is often less than 1 megabit per second. It is impossible to work with that from a business perspective. Will the Minister therefore consider how we can make sure that operators meet a commitment on that as well?

Provision of sites for infrastructure is covered in the Bill. I have had concerns for some time—more have been brought up with me over the past few days—about the balance of the relationship between site providers and operators. How the rent for the use of private land by operators is determined will be important in ensuring that land can be rented easily for infrastructure, particularly for telephony systems. I have heard of anxiety from potential site owners that voluntary agreements may be harder to reach—something that will simply slow down investment in telephony systems for my constituents—if there is no provision in the Bill for a reasonable consideration to be paid, albeit perhaps one below current levels.

Potential site owners are concerned that the Bill implies that there could be retrospective change to existing arrangements, which is slowing down tenancy agreements. It would be helpful if the Minister confirmed that the new code will not be retrospective, to ensure that an operator will not have the option to break an existing lease purely to enter the new code. My main concern for north Northumberland is that that risks slowing down the roll-out of the emergency services network, on whose masts my constituents hope to rely

to extend our telephone system to some of the most rural communities. I hope the Minister will be able to answer those questions.

3.44 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I recall that I once had a visit from a former Member of this House who said that he loved visiting my constituency because he could always see the two most beautiful words in politics—no signal.

My hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) gave a forensic and helpful speech on the opportunities in this area. He has been a critical friend, pointing out where the Bill could be improved and what needs to be considered. I want to touch on a few of those points.

As chair of the all-party group for digital economy, I have had the opportunity to speak with a number of people in the industry and to take some thoughts and comments from people across the length and breadth of this subject. It is clear that we are facing a radical change in how we deal with things. We have heard today about the internet of things and the opportunities for blockchain. My hon. Friend the Member for West Dunbartonshire (Martin Docherty-Hughes) talked about the opportunities for currency, data provision and a new way of holding information. There will be opportunities for new types of jobs, but challenges about how technology replaces jobs.

We will have to look very carefully at the Bill and how we move forward, because it will affect people's lives and health. If we look at the use of technology in remote and rural areas, telehealth will become very important. It is therefore vital that we have the connectivity to allow that to take place.

The universal service obligation has to be a truly universal service. The obligation should be to make it the same. People say it should be like water and electricity—yes, absolutely it should—but the obligation just does not reach to broadband. It should be about connectivity, so we have to look at digital very carefully. What will the cost be for people who want to access technology in the future? What levels of service can they, should they and must they expect as things move along? How do we tackle digital exclusion for those who simply cannot afford the kind of technology many of us take for granted, particularly as new devices become available for people to use? All those things will have to be considered in the context of how we create a fair digital society and a fair digital economy.

If we look at suppliers, what will the service be like? What should we make sure to look for? The Bill needs to contain ways to measure that properly, something that has been asked for before today. We need to know how the Bill will keep pace with developing technology. Earlier, the Minister talked about 10 megabits per second being a minimum standard. Thank goodness for that, because that will be an absolute minimum in a matter of months, such is the pace of technology.

We also have to consider issues of latency. Upload speed has been mentioned. Voices in the industry are calling for a minimum of 2 megabits, and we have heard about upload speeds from other hon. Members today. Upload speed is a critical factor in ensuring that business can truly compete and that we can take advantage of all the advances coming forward.

[Drew Hendry]

The Bill must contain measures to create backhaul and ensure that the distribution of equipment to supply will be sufficient to get into all areas, particularly rural areas. I have been an advocate on this subject for a number of years. Before 5G, I was talking about the availability of 4G and the Government taking the opportunity to use the licensing regime to make sure there is an obligation on suppliers to ensure that rural and remote areas are supplied first. In years to come, they will need it more. They will need to access all those services in the way that others, because they live in commercial areas, take for granted. I hope that that will be taken forward.

As Members have said, 5G needs high-frequency broadcast, so we need to look at lots of infrastructure over a fairly short distance that is able to transmit the signals that will be required to supply that very high-frequency service. When we are looking at filling the gaps in provision, we have to get away from the idea of satellite being an absolute solution. As it stands, it does not fill the gap required to fill 5G. We have to encourage communities, in the way we do in Scotland with the community broadband Scotland programme, to be able to set up their own systems to broadcast a signal, so that it can be developed in future to ensure that 5G is applicable to them. That must be an absolute priority, so that we do not take our eye off the ball on what will happen in the future.

It is important for the Bill to make progress on ensuring people's rights when it comes to mobile phone contracts. I am grateful to my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk for mentioning the discussion I had with Ofcom last year and what was agreed by the then Minister, the right hon. Member for Wantage (Mr Vaizey). The Bill should include provision so that people who have mobile phone contracts that are not usable or who get a poor service can have the same rights as those with broadband connections to change or cancel their services and move on to another provider. I hope that progress will be made on that. I see the Minister nodding, so I am pleased that that will be coming forward. We do not want people such as Sally who lives in Tomatin in my constituency to be told by a mobile company that she could get a signal, only to find on powering it up, having travelled miles to get the phone she wanted, that there was no opportunity for it to happen. That happens too much. People have been putting up with too poor a service for too long.

Let me make a final point before I conclude. Tariffs for broadband should be limited to what is actually possible. It should not be possible for a telecoms company to charge someone for 76 megabits per second when they are being supplied with much less and there is no way to get that 76 megabits service. That should be made a condition. In Scotland, we have set out the ambition for 100% superfast broadband by the year 2021. We will take on board all that we need to do to make sure that happens. It is time for ambition across all the nations of the UK to make sure that we deliver something that is truly fit for the 21st century.

3.52 pm

Claire Perry (Devizes) (Con): I rise with great satisfaction to welcome both new Ministers to their places and to welcome the Bill. There is much in it to be applauded.

Let me focus on two quick points before moving on to the provisions for reducing the amount of adult material that children can see online, which other Members have spoken about.

Digital access is vital for those who represent rural constituencies. I know how much the previous Minister, my right hon. Friend the Member for Wantage (Mr Vaizey), had worked on this issue, and I agree with him that enormous progress has been made in providing high-speed access across many parts of the country that were ignored in commercial contracts. It is now a question of how we provide services for the last 5%. I welcome the definition in the Bill of what "fast" actually looks like, which I know the current Minister has been keen to establish.

I also welcome the universal service obligation. It seems bizarre, as my right hon. Friend the Member for Wantage mentioned, that we do not have broadband provision built into the building code along with the provision of electricity and water services as a fundamental utility that every householder should have.

I welcome, too, the direct marketing code that is covered in clause 77. I suspect that many Members have been shown the difficulties, the traumas, the feeling of invasion that people suffer when there is a direct marketing call or letter going to their homes again and again. I really welcome the provision that will put the direct marketing code on a statutory footing, which should make it easier for prosecutions to be brought and for penalties to be applied. Ministers are to be commended for this.

I shall spend the majority of my speech talking about part 3, which is designed to improve internet safety for young people by introducing an age verification mechanism. It seems odd how life goes full circle. It was the Minister of State who sat on the Benches with me all those years ago when I brought this topic up in an Adjournment debate. It was, I think, the first thing I did in the House, and it was the then Minister, my right hon. Friend the Member for Wantage, who responded. We set out a series of requests that seemed to be very sensible, but to which the response was in some ways hysterical. I remember people telling us that we wanted censorship. The right hon. Member for Slough (Fiona Mactaggart), who did so much with me on this topic, will remember that we were somehow supposed to be about burning books because we wanted ISPs to do some simple things, such as provide filtering that was already on, so that it would not be incumbent on parents alone to protect their children; the internet service providers would help them to do that. My goodness, how far we have come since then. We now have ISPs that behave incredibly responsibly in this country, and we have filters whose default setting is "on".

In this context, I must pay tribute to the former Prime Minister. I believe that without his leadership, we might still be arguing with the industry about these matters. It was his seeing the rationale behind this, and seizing on it, that really got officials and industry to move. I remember that when I was his special adviser on online safety, I was asked to meet the parents of April Jones, who was murdered so cruelly by someone in her area. They could not understand how the man who had killed their daughter had been able to put into the internet search terms such as "naked little girls in glasses" and receive returns from Google, served up for

his pleasure and, potentially, for his stimulation. That was a very hard question to answer. It was absolutely right that we persuaded search engines, including Google, not to return results against a whole series of search terms, but it took intervention from the highest level of Government to make that happen.

It was absolutely brilliant that the Government moved even further, and produced a series of definitions of illegal material. Posting revenge porn is now a criminal offence, as is stalking in the online world, and the Government have also outlawed the depiction of violent rape in either absolute or cartoon form. I am delighted that they have made so much progress, and I know that there is strong cross-party support for what they have done.

Bob Stewart (Beckenham) (Con): It would be really good if, in much the same way, depictions of beheadings and other monstrous acts were banned from the internet and never seen in this country, in Europe, or indeed anywhere.

Claire Perry: My hon. Friend makes an important point. During that long process of conversation, legislation and lobbying, we all discovered that it was very hard to get internet service providers, content providers and search engines to think in this way, because they took a different view. Their view was that they would serve up whatever people wanted, everywhere. If things are made illegal, it is a different matter, so it all came down to a question of legality rather than morality. However, I think we have made enormous progress, and I am proud that we can call Britain one of the most family-friendly places in the world to access the internet. All this has been done, by the way, without any materialisation of the doom-and-gloom scenarios of internet shutdown. My hon. Friend the Member for Folkestone and Hythe (Damian Collins), who chairs the Select Committee—he is no longer in the Chamber—spoke of our dynamic digital economy, which is perceived to be a high-growth, high-innovation area; and while all that has been achieved, we have also established some family-friendly guidelines.

Let me now urge the Minister and his officials to pay particular attention to two aspects of the Bill which concern me, and which others have also raised. The first is the definition of content that is captured by the age verification mechanism. I know that the Bill is quite loosely drafted, and I know that the intention is to capture both commercial material and material that is provided free on commercial sites, but there is a real question about peer-to-peer sites and live streaming. As we all know, the internet is not accessed through the mainstream hub sites, and there is now far more peer-to-peer and free content exchange. I should be interested to know how further drafting would address that problem.

It is encouraging that commercial providers of pornography support these proposals. They think it absolutely right for there to be some degree of age verification, because they are not interested in children viewing their material, and they recognise the commercial benefits of the Bill. That is very notable.

The second aspect that I want to raise is the role of the regulator, and what teeth the regulator can have. Concerns have been expressed today about enforcement. In the light of my association with the British Board of Film Classification, it occurs to me that there may be a

role for that organisation in a regulatory structure. It is a trusted brand when it comes to regulating content; its definitions are widely accepted, and it is considered to be highly robust. I have met BBFC representatives and talked to them about the possibility, and they have agreed that there could be a role for them. However, the BBFC's current enforcement is carried out not through its own powers, but through trading standards or the police, so the question of enforcement still needs to be addressed. However, it does concern me that, as we have heard, while the intention is there to have a level of enforcement—a civil enforcement, perhaps, relating to fines—it is difficult to establish a qualifying turnover and indeed bank account details for many of these overseas sites that are generating and posting content. I would be interested to have further details, perhaps in Committee, as to how those sites could be captured and, of course, what happens if nothing happens. What happens if a site flagrantly disregards this, and refuses to put in place a robust verification mechanism? We should explore the possibility of ISPs being asked to block sites that are effectively contravening UK law.

I urge the Minister to look at what happened with the gambling industry. The right hon. Member for Slough—I like to call her my right hon. Friend—and I could not understand why there was such a disparity. Of course, the gambling industry set up very early on robust age verification mechanisms that blocked under-18s from accessing their sites. There is a mechanism in place, and it has been achieved without any howls of privacy invasion.

Kit Malthouse (North West Hampshire) (Con): My hon. Friend is making a powerful point and I fully agree with it, but does she agree that the difference between the gambling and pornography industries is that all gambling sites require the ability to take money from their customers, whereas not all pornography sites do? That is the critical difference, and the reason why this measure may not go quite as far as she and I would like.

Claire Perry: My hon. Friend is right, although the intention of many of these commercial sites is indeed finally to extract money from the customer either for a single view or a subscription.

Kelvin Hopkins (Luton North) (Lab): I have expressed serious concerns about compulsive-addictive gambling, which is exacerbated by online gambling, as well as fixed odds betting terminals. Are the Government seriously going to address the problem of online gambling and its contribution to gambling addiction?

Claire Perry: That is a separate debate for a separate Department, I believe, but I do take that point, and of course anything that is served up on the internet into our homes becomes ever more accessible, whether it is gambling or legal adult material, or indeed illegal adult material, where the Government have taken such great steps to intervene.

In conclusion, I urge the Minister to be bold. It was telling when we started these conversations so many years ago that there were howls of outrage from many of the same people who have responded to the consultation, and the idea that somehow we were debating a

[*Claire Perry*]

masturbator's charter by asking for ISPs automatically to have parental filters turned on. The rhetoric does not marry with the reality.

I know the Minister to be highly logical and sensible and bright—[*Interruption*—and all the other things that mean that I clearly would like him to listen very hard. He must be bold and resist attempts to wrap up what is very sensible policy in rhetoric. It is not about nudge; it is about leadership and direction. I am proud we have come so far in this country, and I welcome the progress that will be made in this Bill.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Colleagues have behaved very honourably this afternoon in sticking to the informal 10-minute time limit, but, unfortunately, many Members still wish to speak, so I must reduce that informal limit to eight minutes. It has worked so well that I am reluctant to impose a formal time limit. Let us see if approximately eight minutes will work from now on.

4.3 pm

Yvonne Fovargue (Makerfield) (Lab): I am pleased that this Bill is focusing on the digital economy. However, I feel that some areas need strengthening in order to avoid unintended consequences and that there are missed opportunities.

I want first to talk about the data-sharing powers, and specifically the section of the Bill that enables public authorities to share data to make it easier for Government and public authorities to collect outstanding debts from individuals, particularly where the debt is owed to more than one public authority. Commercial creditors, and even the dreaded payday lenders, adhere to the Financial Conduct Authority standards, but there is no equivalent for public authorities. In a recent survey, StepChange found that bailiffs, local authorities and the Department for Work and Pensions are the top three organisations that people felt treated them unfairly—worse than payday lenders—and that is because of a lack of binding standards and the complete variability of policies. The impact has been 60% of those people taking on more debt, including 21% taking on payday loans. People falling behind with their bills causes great stress, which we know leads to mental health issues and family problems. We need to look at the concept of a breathing space, which I shall say more about later. Problem debt weighs down individuals, families and the economy. It costs us all £8.3 billion. Surely that is a good reason to strengthen the Bill to improve the debt collection practices of public authority creditors, using the best practice available and aiming for consistency across the country.

The Bill mentions that fairness should be paramount in this regard, but there is no mention of the scope of the outline principles for debt collection. Surely there should be guidance as to what good practice looks like, and at least a reference to the standard financial statement and to public authorities auditing their collection and enforcement policies to ensure that they do not make things worse for financially vulnerable households. Also, public authorities will be required only to have “regard”

to the code of practice, which is frankly not strong enough. There should be a requirement to comply and to embed decent principles of debt collection in policies and practices throughout public bodies. I appreciate that the Bill deals with only a limited range of circumstances in which data are shared, but there is a wider need for measures to include the provision of a breathing space. The Government are looking into this at the moment. We need to ensure that people's debt problems are not made worse when they are doing the right thing and seeking advice.

Like the hon. Member for Devizes (*Claire Perry*), I welcome clause 77, which deals with nuisance calls. We have all had them, but people in debt are particularly vulnerable to the temptation of a quick fix. I would really like to see a ban on the unsolicited marketing of high-cost credit and on fee-charging debt management companies. There is a bit of Mr Micawber in all of us, and it is all too easy to believe that that phone call or text is the answer to our worries when too often it simply compounds them. Currently, one in eight people are called every day by a company offering high-risk financial products. A third of people already in debt receive more than five calls a week from people trying to sell them unsuitable products. This represents the ruthless targeting of the most vulnerable and it needs to be stopped.

We need to ensure that credit is taken out only after careful consideration. People need the time to carry out research to ensure that they are getting the best deal, rather than buying credit after a pressurised sales call that often promises far more than it can deliver. Direct marketing should be opt-in, not opt-out. The tick-boxes are often far too small for people to see. My mother would never be able to see them. They are easily missed and firms should be obliged to say which third parties they are passing our information to. It is our information, and we should know who it is being given to. I am pleased that the size of the fines is to be increased, but they have to be relevant to the size and turnover of the company and proportionate to the number of calls involved. The impact on consumers has not been considered enough. I would like to see a system of fines per calls made, and the possibility of making directors personally liable for these calls, because they are responsible for the conduct of their companies.

The Bill has missed the opportunity to protect consumers and UK businesses from the online sales of counterfeit goods, particularly dangerous electrical goods, 64% of which are bought online. Many measures could be taken, but the full extent of the online problem needs to be assessed, as does the cost to the economy. It is a growing problem—I think it has increased by 12% this year alone—and more than 1 million people in the UK have knowingly or unknowingly bought a counterfeit item. That is bad for business and for the consumer, and in the worst cases, it is a safety hazard. The Bill could provide an opportunity to reduce the opportunity for counterfeiters to sell through online portals, and I hope that this will be considered as it makes progress. We are all consumers; we are all vulnerable to sales calls; we have all had, or will have, income shocks; and we all buy goods online. We deserve the best protection possible. The Bill provides many opportunities to enhance that protection and I hope that they will be seized. I hope that the protection of the most vulnerable will not be overlooked.

4.9 pm

David Warburton (Somerton and Frome) (Con): As we have heard today, the Bill casts its net wide and sets out to address an enormous range of issues, doing so extremely well for most. I want to add my voice to further issues, to echo the words of others and to make a special plea for rural areas and the particular problems that they face.

By the end of next year, 95% of premises are likely to have access to broadband speeds of considerably more than 10 megabits. It is important to note, however, that the remaining 5% is composed of rural areas, which make up much of Somerset and my constituency. For example, just 4% of our farmers can currently access superfast broadband and more than half receive nothing more than 2 megabits—like many of my constituents. Providing hard to reach areas with the framework that they need to get connected is a huge step forward.

However, those affected include not only farmers and other people, but businesses. One of the great opportunities of the digital revolution is that it does not have to be led by urban spaces. Given sufficient infrastructure, rural areas can be just as fertile. If the Bill's universal service obligation—by whatever means—and its reasonable cost threshold make sense for isolated rural areas, we will have to look at a variety of means and methods, because fibre may not be appropriate. If the reasonable cost threshold makes sense, new technologies and the opportunity provided by reform of the electronic communications code to make infrastructure installations easier can make rural investment pay.

I welcome the electronic communications code changes. Digital connectivity is an essential utility that must be put on the same footing as other public utilities, as we have heard today from many hon. and right hon. Members. Without the improved framework, communities in areas such as Somerset will continue to be connected based on the ease of connecting them rather than their need for connection—two distinctly different things. For example, villages with many businesses and therefore, in purely economic terms, a greater return on investment can currently be abandoned by the fibre programme in favour of less active but easier to reach areas, which makes no sense. If all small and medium-sized enterprises traded online, some £18 billion would be added to the country's top line, so I think looking at the bottom line and the outcome of infrastructure investment is a pretty good idea.

Many of the harder to reach areas in Somerset will be leaping with unaccustomed joy at the move towards compensating those with a substandard broadband service. We all have constituents who suffer from slow broadband—I have a slow connection, too—and Somerset has had some appalling long-term outages recently. One village, West Pennard, had an outage lasting for many days, so a bit of recompense certainly would not go amiss. Facilitating full connectivity and properly connecting rural Britain is the beginning of the path towards creating a much more equitable national picture.

Uniquely, the digital world has the capability to start to rebalance the economy away from London and other cities. If talent is the new capital and if talent is flexible, with the right tools the uneven spread of power can be changed. That represents real equality of opportunity and I might even go so far as to say digital democratisation.

4.14 pm

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): I wish to speak specifically about part 3 of the Bill, which deals with age verification for online pornography. I also wish to draw the Minister's attention to the Women and Equalities Committee report on sexual harassment and sexual violence in schools, which was published this morning. I am a member of the Committee, which took evidence on the impact that pornography has on young people's attitudes and expectations. I hope that he will take the time to look it over and take on board our recommendations.

As I have said before in this Chamber, for people of my generation the internet may be a technical marvel, but for children and young people growing up today it is simply a fact of life. Although that brings many advantages, there are downsides, one of which is the easy access to pornography. Some of the statistics on the underage viewing of pornography online are frightening, and we should not underestimate the enormity of the challenge we are facing. In 2014, the BBC's "Porn: what's the harm?" survey found that 60% of young people first encountered online pornography when they were aged 14 or younger, with almost a quarter encountering it at the age of 12 or younger. Government research last year showed that 1.4 million people below the age of 18 accessed pornographic material from a desktop computer—that is the equivalent of one in five of all children with internet access. That research was limited to desktop access. When we consider that nearly two thirds of all visits to pornographic websites are made through smartphones or tablets, the scale of underage access to this material starts to come into sharp focus.

The Children's Commissioner for England has produced research showing a link between children viewing pornography and their engaging in harmful behaviours. The Select Committee heard a wide range of oral evidence, not only on the distorting effect that pornography has on young people's perceptions of sex, relationships and consent, but that the type of pornography that young people are accessing is often more extreme than many adults realise. Dealing with this issue requires action both to limit children's access to pornography, and to provide better sex and relationship education to counteract its influence. I congratulate the Government on seeking to put the first of those two steps in place in this Bill.

We should be in no doubt that, for all sorts of reasons, preventing children from viewing pornography online is an exceptionally difficult task. There are no silver bullets or magic wands that the Government can wave. Whatever age-verification gateways are put in place, there will always be ways around them for those determined enough. The international dimension of the problem raises questions about enforcement difficulties, and we should bear it in mind that the vast majority of pornographic websites are not UK-based. Nevertheless, we should not be put off a task simply because it is very difficult; after all, if children were able to get their hands on alcohol and tobacco in the real world as easily as they can access pornography online, there would be an entirely justified outcry. The standards we set for ourselves as a society must hold true in the digital sphere, just as they do outside it.

As grateful as I am to the Minister for taking this issue seriously, I am afraid that I am going to hold feet to the fire when it comes to the detail of the Bill.

[Gill Furniss]

The creation of an age-verification regulator with the power to impose financial penalties and enforcement notices on websites sends a strong message about how seriously we are taking this issue. The problems come with the enforcement of these powers. The key weakness of the Bill is that these powers are not enforceable outside the UK's jurisdiction, where the majority of pornography websites are based. The regulator may well be able to impose a hefty fine on a website for a refusal to put age-verification measures in place, but if the site is based abroad there is nothing the regulator can do to compel payment. The most the regulator can do is inform providers of payment and other ancillary services to the website that it is not complying with the legislation. There is no requirement on those providers to withdraw their services. The Government's justification for that flimsy approach is that service providers can be relied on to block payments to non-compliant websites, because their terms and conditions specify that their clients must be operating legally. However, that sends a pretty weak signal, and we need to be clear to pornography websites that non-compliance will affect their bottom line.

In the final analysis the regulator must be able to block websites that persist in non-compliance, but again the Bill as it stands is lacking. The Government claim that such powers would be inconsistent with existing processes for online enforcement of terrorist or child sexual abuse material, which are not on a statutory footing. Although that may be true, the difference here is that that sort of material is illegal in almost every legal jurisdiction around the world, whereas the material covered by the Bill can be accessed legally in the UK by anyone over 18. Comparing this with illegal material, and basing an enforcement regime on that comparison, is simply not credible. Without the ultimate ability to block access to websites, their owners based abroad will not be under any compulsion to comply with these regulations.

In their impact assessment for this Bill the Government stated that their aim is

“nudging the online pornography providers to comply and introduce age-verification.”

I urge the Minister to take another look at part 3, and turn that nudge into something far more robust. We must send a signal to parents and young people out there that this Government and this House find the protection of our children paramount.

4.22 pm

Rishi Sunak (Richmond (Yorks)) (Con): The average smartphone user in the UK uses their device for more than two hours daily, so when we talk about rural communities without access to a mobile signal, let us be absolutely clear about what we mean. We are talking about the fact that people in swathes of our country are unable to participate in an activity that the rest of us consider so indispensable and so vital that we engage in it for 10 minutes of every waking hour.

The Bill before us today contains two important steps towards closing that gap. The first is action to reform the electronic communications code to reduce land rents and to free up capital to invest in infrastructure, and the second is Ofcom's new powers to capitalise on the opportunities for dynamic spectrum access.

Let me turn first to the provisions for reducing the cost of land used by mobile operators. In going beyond the Law Commission's recommendations and moving wayleave valuation to a compulsory purchase basis, the Government have acted boldly in the public interest. This one change will do the following: reduce rental costs; tackle the vexatious issue of ransom rents; and begin to close the gap between the rent for an electric pylon—in the hundreds of pounds—and that of a mobile telecoms mast—up to the tens of thousands of pounds.

Let me be clear: some of my constituents will lose out from this Bill. It is no secret that small rural businesses, farmers and landowners have benefited from the extra income that renting land to mobile infrastructures can provide. It is an important source of income, and I take very seriously the concerns of the National Farmers Union and the Country Land and Business Association. What is equally plain, however, is that, in boosting investment in rural coverage, the potential benefits to rural communities can outweigh those costs. We must not expect the rural people whose income will be reduced by this Bill to receive nothing in return. The analogy is made with the compulsory purchase powers in the utility and energy infrastructure side of our country. However, the National Grid is a regulated asset, which means that any cost savings it enjoys as a result of compulsory purchase powers are automatically, by regulation, passed on to customers. In the case of the mobile operators, that is not necessarily so. Interfering with property rights, as the code does, is a major step for this House to endorse. I therefore urge the Government to ensure that the Bill benefits not just the network operators' balance sheets, but the public interest. Operators will save hundreds of millions of pounds as a result of these changes, and in return there are a few things the Government can do to keep their feet to the fire. First, the Government can ensure that they live up to the obligations of mobile coverage that, by 2017, 98% of UK households have access to 4G and 90% of our land mass is covered by voice and text.

Antoinette Sandbach: Does my hon. Friend agree that it is a great source of frustration that mobile phone companies, when they sell 3G or 4G contracts knowing there is only 2G or no provision, say that it is just an opportunity to access 3G or 4G where there may be such provision? Does he not think that is mis-selling?

Rishi Sunak: My hon. Friend makes a valid point and I share that frustration, which my constituents have also brought to me.

There are further steps that the Government can take. I endorse here the comments of the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr). The Government could suggest progress towards a model of independently owned infrastructure, such as is found in the United States. Independently owned masts are, on average, 10 metres taller. They can host multiple clients, unlike network-operated masts, so they reduce costs in the system, expand coverage and broaden access, and are a welcome development.

I urge the Government to look at the example in Australia where Vodafone and Telstra have combined to form a national roaming agreement, allowing network sharing in the country's most remote regions. When the next spectrum licence auctions come along, we must ensure that coverage is paramount in the conditions. I concur with the comments by the hon. Member for

Berwickshire, Roxburgh and Selkirk: we should look at the example in Germany, where they use outside-in provisions to cover rural areas before moving to the dense, profitable urban areas.

The second part of the Bill that I want to mention is the slightly technical area of white space. It gives me great personal pleasure to talk about these clauses, for my brother-in-law, as a young PhD student in the United States, was one of the first people in the world to develop a working white space system, which allowed the transfer of data on this innovative new use of spectrum. White space refers to radio spectrum frequencies that have already been allocated to users but which are not always used. For example, digital terrestrial television signals use different frequencies in different parts of the country, so as not to interfere with one another, and that leaves an opportunity for a new generation of mobile devices to use that white space spectrum in particular parts of the country. That process is known as dynamic spectrum access.

Much as I criticise Ofcom in other areas, I would commend it for being incredibly farsighted and enabling the UK to be a leader in capitalising on this innovative new technology. It has set up several trials in the past few years.

The Bill will specifically allow Ofcom to register and regulate geolocation databases. Databases allow the new devices to query exactly what spectrum is being used in what area, and it is a practical and necessary step required to make white space devices much more widespread. White space spectrum is very powerful. It can travel hundreds of miles and through walls. For that reason, it is a technology that we must capitalise on, and I commend Ofcom and the Government for taking steps in that area. It will be of enormous benefit to my rural constituents.

In conclusion, as technology and innovation open up new frontiers and possibilities, it is the role of this House to ensure that every member of our society, rural or urban, can reap the rewards. The foundations laid by the Bill make that outcome a more realistic probability and I am delighted to support the Bill this evening.

4.28 pm

Chris Elmore (Ogmore) (Lab/Co-op): I wish to raise two points. First, I echo the plea that hon. Members have made from both sides of the House that the Bill be improved to make it mandatory for developers to connect new builds to fibre broadband. We make such requirements for water, electricity and gas. Clearly, those are extremely important services, but I would argue that most people who are buying a new house would expect the broadband to be at the very highest level. In my constituency, significant large-scale communities have been waiting up to two years for fibre broadband. Anyone who is paying the significant sum necessary to buy a house would expect to have decent broadband in that property.

Secondly, although I welcome the attempts in the Bill to target online copyright infringement, I am disappointed not to see efforts to tackle the sale of counterfeit electrical goods. Research undertaken by the charity Electrical Safety First found that in that past year more than 1 million people in the UK bought counterfeit items, with 64% of those products being bought online. This is an issue that needs addressing, and it is a missed opportunity that the Bill does not take steps to tackle the problem.

Electrical items were among the top five subjects of complaints to Welsh trading standards offices in 2015. Last Christmas Trading Standards Wales did great work and acted swiftly in response to the national scare over dangerous hoverboards, leading to 228 potentially dangerous hoverboards being prevented from getting on to the market in Wales. Sadly, we know that many of these unsafe products did make it into people's homes, with catastrophic consequences.

Authorities such as the police and trading standards need to be equipped with the necessary legislation to tackle the growing sales of counterfeit electrical goods, along with a statutory obligation to report the quantity seized so that the scale of the problem can be continually monitored. We also need a statutory obligation on online retailers to report to the relevant authorities those who consistently sell counterfeit electrical products. Such reporting would provide an opportunity to examine the effectiveness of legislation such as the 1994 plugs and sockets regulations to prevent counterfeit electrical goods being sold and imported by online retail platforms.

The sale of counterfeit electrical goods is dangerous and amounts to a huge problem. It is estimated that faulty electrical products are responsible for over 7,000 domestic fires a year. The efforts made by this Bill to target online copyright infringement are important, but do not give the necessary attention to the problem of counterfeit electrical goods. The digital economy created the problem, and I urge the Government to ensure that this Bill addresses it.

4.31 pm

Justin Tomlinson (North Swindon) (Con): It is a pleasure to contribute to this debate. I shall focus on the universal service obligation for broadband, an area in which we, as a Government, have made huge progress. I want to gently encourage some important tweaks which will help those who are missing out. There have been some incredibly powerful speeches from colleagues on both sides of the House, highlighting just how important access to superfast broadband is. It is a utility, like gas, electricity and water, and it should be a given wherever practically possible.

These tweaks come about from my experiences in my constituency, where we have two challenges that are recognised by most—urban and rural—and the role that BDUK should take in solving these problems. In urban areas, there can be no excuse. We should have, as a given, access to superfast broadband. Clearly, BDUK needs to be given greater powers to bang heads together, get access to the land, and put in the infrastructure so that residents will have the access that we are all so keen to see. Rural areas, more often than not, are not commercially viable. That is where BDUK has to take the lead in making sure that the various pots of money provided by the Government and local authorities to subsidise access are spent quickly and sensibly so that those in rural communities also have broadband access.

In my area about 20,000 houses were not getting access to superfast broadband. The Government provided £2 million, for which we were very grateful. Despite having to make some difficult decisions, the local authority identified a further £1 million, so we had a £3 million pot. Swindon borough council chose to carry out its own procurement exercise which, as a result of reliance on the advice of BDUK, was littered with errors.

[Justin Tomlinson]

First, the council mixed rural and urban areas—two different challenges—and put that out for procurement. There should have been two solutions and two procurement exercises. The council ignored areas already covered by other operators, including EE 4G. Then there was no formal check with BDUK to find out what future work was going to be offered by the traditional providers, such as BT and Virgin, allowing commercially viable areas to access the subsidies—that valuable taxpayers' money that should have been focused on rural areas, where every penny can make a difference.

Unsurprisingly, the only bid we received in this flawed procurement exercise was from UK Broadband, a 4G provider. That was unwanted by residents, who had campaigned for years for fibre access. It was unscalable, with poor maximum speeds and capped data usage, and it would fail any form of future-proofing. It was an outdated technology, and it did not even come with the bundles customers traditionally expect, where they buy the TV providers and the telephone line all together. In an urban area, people would have to pay £195 to add another satellite dish to their house and then pay high fees for something that people currently get free with all the traditional providers. Unsurprisingly, residents were appalled.

The local authority is typical of all local authorities: it does not have specific skill sets that can identify what the future technologies will be, so it relies on BDUK's expertise, and it was BDUK that signed this off and said it was a good idea—in fact, BDUK's website champions this technology.

As part of an earlier deal in Swindon, in 2012, UK Broadband was going to provide superfast broadband to 60,000 properties. There was a rather heated and frank exchange about that between me and the chief executive on BBC Wiltshire, which I am sure all hon. Members enjoyed listening to. Some 60,000 homes were meant to be provided with superfast broadband, but we are aware only of single-figure subscriber numbers. I am going to be generous and say that there were nine—I am going to give UK Broadband the maximum it could have been in single figures. UK Broadband has now secured £3 million of funding to provide for 20,000 houses, so simple mathematics means that it will have three subscribers and £3 million of subsidy, or £1 million a subscriber. That is a total disgrace; it is a total and utter waste of taxpayers' money, which should be used to help rural communities that do not have access.

BDUK has made this momentous error because it is being rated on the number of properties that have access. Those 60,000 houses had access, and the 20,000 houses will have access, but nobody is going to sign up, so access is irrelevant. BDUK ticks all its boxes—what a great job it has done. That is how it will put it in its press releases on its website, which horrify me when I read them. However, the reality is that residents will not have access. We should be setting parameters based on the people who are genuinely going to be able to sign up for a usable, scalable, future-proof service. One thing we do know is that money is precious, and these generous funds are a one-off. If there is a mistake, that money is wasted and there will not be a change.

Finally, I pay tribute to BT and Virgin, which despite this waste of taxpayers' money, have stepped up to provide a real solution for the urban areas. Bill Murphy

from BT Openreach, in particular, has been incredibly proactive. However, I am distraught that the rural areas in my constituency could have had full use of that £3 million when it was needed and that they, too, could have had a fibre solution.

4.37 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): While there is much to welcome in the Bill, and I am glad to read many of the details, I would like to take this opportunity to raise a number of issues—some more briefly than others, given the contributions already made so fluently by many Members.

As regards the broadband universal service obligation, there is an opportunity here to discuss how we now reach the final 5%—the hardest-to-reach families, homes, farms and businesses. As an aside, I should say that I speak on behalf of a community of almost 5,000 people—Blaenau Ffestiniog—whose last bank is deserting the high street this month. HSBC blithely assured me that internet banking would seamlessly replace an over-the-counter service. In all honesty, that is a cynical cover for cost-cutting, and ostensibly assumes that the relative norm of urban connectivity is available to all, when the reality for Blaenau is unreliability and low speeds.

We have already heard that public money for broadband roll-out was intended to reach those areas that commercial providers would ignore if left to their own devices. We need to ensure that lessons are learned, that that aim is finally realised and that the issue is resolved.

As I said, I deeply welcome the concept of the universal service obligation, but I am concerned that the final 5%, which of course includes the counties of rural Wales, such as Ceredigion, Sir Gâr, Powys, Pembrokeshire and Gwynedd, have actually been relatively ill served by Superfast Cymru. I seek an assurance that the Secretary of State will map out those properties affected by the £3,400 barrier in the guidelines—when that price is reached they would not necessarily be included in the universal service obligation—and that a minimum speed of at least 10 megabits per second specifically for those homes and businesses is included later in the Bill so that the universal service obligation really is just that.

I now turn to the issue of wider connectivity. I am sure that the Government must recognise that mobile devices are a vital part of modern life wherever one lives and works. The 2014 deal with mobile companies, trading national roaming for a commitment to 90% coverage by 2017, served rural businesses and communities particularly badly. Plaid Cymru would wish to examine the demand for a multi-operator mobile virtual network similar to that of Manx Telecom—Chellinsh Vannin—which would offer access to all mobile networks in Wales on a roaming basis as a means of overcoming chronic not-spot localities. Surely the Minister and the Secretary of State must agree that now is the time for legislation on a universal coverage target for mobile, with a minimum level of 3G provision to be achieved within an identified timetable.

I would have liked to say something about online pornography, but many Members have spoken eloquently about that already. I merely add my support to the points made about the powers of the age verifier and the need to ensure that it has the necessary teeth to put the powers into effect.

Another issue that a number of Members have touched on is the need for social network providers to show a greater sense of corporate responsibility. I feel quite strongly about this. Today we have heard about some of the victims of online abuse. Back in March, I raised this matter in collaboration with the Digital Trust with regard to the Criminal Offences (Misuse of Digital Technologies and Services) (Consolidation) Bill. That Bill identified a series of responsibilities to ensure that all providers of online services adhere to a code of professional standards, including advice on what victims could expect from such providers in future in relation to quality service standards and levels of care. The Digital Economy Bill could look at the expectations placed on providers in terms of regulation, a code of practice, and their obligation to undertake safety impact assessments. It is a pity that we have yet to see that, and I would like to see it later on.

My final point—I suspect that I will be unique in bringing this up—concerns the concept “digital by default”. I would like to take this opportunity to put on record the significance of ensuring respect for Welsh-users’ statutory right to equality of service. This should be explicitly enshrined as a matter of principle in digital government. “Digital by default” must mean “*digidol yn ddiofyn*”: not something to request, but clearly available and welcoming to use. The linguist András Kornai has estimated that of the 7,000 languages spoken in the world today, some 2,500 are considered to be endangered. Digital language use increasingly touches every area of communications, from social media to digital government. If a language is not on the web, it can be said to no longer exist. Kornai estimates that the digital divide will whittle down the number of languages to 5% of those currently in use. The move to digital communications is likely to cause an immense die-off of 6,000 and more languages the world over.

Written Welsh language use is expanding on social media, but I beg the Government to ensure that high status and essential communications in Welsh are made as accessible as possible in their own services as they move online. Targeting facilities, as mentioned by the Secretary of State, might play a leading part in this. Given the issues arising from legacy IT systems and designing bilingual digital platforms, I urgently request that the Minister commit to ensuring interactive and user-friendly Government digital services for Welsh speakers. I would welcome the opportunity to speak further on this.

4.44 pm

Nigel Adams (Selby and Ainsty) (Con): I welcome this Bill and much of the important detail it provides on broadband and mobile connectivity issues, which are of particular interest in a rural constituency such as mine in North Yorkshire. I mention my entry in the Register of Members’ Financial Interests with regard to shareholdings in and directorships of two telecoms businesses.

One area in which the Bill has great intentions but very little detail is its intellectual property provisions. The Bill has great potential to make immense improvements in that area, and I would like to talk about the issues in my particular capacity as chair of the all-party parliamentary group on music. Those Members who are keen music fans are very welcome to join me at the British Library this evening, to attend its exhibition on the 40th anniversary of punk rock music.

This year’s “Global Music Report” by the International Federation of the Phonographic Industry showed that digital music currently contributes 45% of recorded industry revenues and that it has overtaken physical market revenues this year for the first time. Given the increasing prevalence of digital consumption in the music sphere, the music industry strongly supports the growth of a legal and functioning digital market, but that is not what we have at the moment.

Indeed, as I have said in the House before, I was stunned to meet a songwriter who, for more than 2 million plays of his song on YouTube, received the princely sum of less than £6 in payment. His experience is not unique. The music industry would like its creative content to be a driver of the digital economy, but if creative personnel cannot make a living because of how that market works, we could lose what is a world-beating industry for Britain, given that one in six albums sold worldwide come from British artists.

UK Music’s “Measuring Music” report, which was released yesterday, reveals that, while sales of digital downloads have slowed, the use of streaming services has increased strongly. It is critical that the sector delivers both for creators and for consumers.

Clause 26 sensibly suggests equalising online penalties for copyright infringement so that they correspond to physical offences. Many Members have indicated their support for that. Increasing the terms of imprisonment from two to 10 years will act as a suitable deterrent to those who profiteer from activities that harm our creative industries, which, let us remember, contribute £84 billion to the economy. Given the high proportion of digital revenue entailed, we should not damage further growth by treating digital offences as somehow less important than physical infringements.

Other measures, such as the universal service broadband obligations in clause 1, will increase the opportunities for people to enjoy creative content online through faster broadband speeds.

There has not been a Digital Economy Bill since 2010. Technology and consumer choice have already advanced considerably, so it is important that we do not miss this opportunity to move with the times. We do not know when we will get another opportunity to discuss these issues in the form of a Bill. It is highly possible that we will have left the European Union before then. We must ensure that the Bill is future-proofed, which to my mind means expanding it in some respects.

Two particular issues occur to me. First, at last week’s annual general meeting of the British pornographic industry—[*Interruption.*] I have no idea whether the British pornographic industry has an AGM, or whether there is such a group. I am certainly not its chair, although, looking across the House, I see that there are one or two candidates. I must get back on track. At last week’s AGM of the British Phonographic Industry, its chief executive officer, Geoff Taylor, called on the Secretary of State to seriously consider measures to provide a mandatory code of practice between search engines and rights holders, if a voluntary code between the two fails. Given the ease of access to infringing music and film content on search engines, that seems sensible. What is the Secretary of State’s response to that? Does she agree that creating a backstop power would be consistent with other approaches to IP legislation? For instance,

[Nigel Adams]

the Enterprise and Regulatory Reform Act 2013 made a similar provision for a code of conduct for collecting societies and other organisations that administer royalties.

Secondly, we expect the European Commission to make a statement this month as part of its digital single market strategy, which is likely to attempt to address the so-called value gap, whereby rights holders are denied fair value owing to out-dated safe harbour laws. For example, “Measuring Music” reports that YouTube increased its music rights payments by 11% last year, but total streams grew by 132%. The Government previously viewed that as a European Union issue, but given impending Brexit, will they use the Bill to ensure that we get it right now? Will the Minister consider measures that would give UK creators and businesses certainty about how their rights will be respected when we leave the EU?

My remarks thus far have centred on the music industry, but I conclude by saying that this part of the Bill is equally critical for our other industries, including film and television, which are closely intertwined. Considered through that lens, the Bill contains a welcome provision to repeal section 33 of the Copyright, Designs and Patents Act 1988, which was originally introduced to encourage the roll-out of the then nascent cable platform, and that objective has clearly been achieved.

Although this was not envisaged when it was introduced in the '80s, section 73 of the 1988 Act is now relied on by a series of online service providers, such as TVCatchup, to make money from the public service broadcaster channels by retransmitting them while selling their own advertising around the PSB's content. Such so-called services undermine the online streaming services and on-demand catch-up services provided by the PSBs. That leads to a loss of audience from PSBs' services and a loss of advertising and sponsorship revenue for the commercial PSBs, which makes it harder for them to achieve a return on their investment in content.

None of the substantial sum of money made by those parasitic services is paid to the PSBs, or to the underlying talent and rights holders in the content, and none of it flows back into original UK content production. I therefore urge the Government to ensure that repeal is delivered at the earliest opportunity, which is Royal Assent, so that those who wish to retransmit or otherwise use PSB services have to negotiate a price for to do so within the must-offer regime in the Communications Act 2003. That will enable those who create content to make a return on their investment and continue to make the programmes that viewers love, which are the envy of the world.

This is, in many ways, a very good Bill. I hope that, as it progresses, the Government will consider how we can make it even better and more supportive of our creative industries, which are true drivers of our digital economy and some of our best exports.

4.52 pm

Graham Jones (Hyndburn) (Lab): I am pleased to speak briefly to the Bill. I am glad that it has come before the House and that we will have the opportunity in Committee to debate it, refine it and take forward some of its welcome elements.

First, I want to talk about the universal service obligation. I welcome the commitment to improve access. Internet speed is enormously important in the digital age, and the USO will give those who have a poor connection the legal right to request a faster one. Some of the 5 million people who have suffered from the Government's failure to deliver fast access to the digital economy will finally be able to access faster internet, albeit at an unambitious 10 megabits per second rather than the genuinely superfast speed of 24 megabits per second.

I want to touch on intellectual property, which the hon. Member for Selby and Ainsty (Nigel Adams) mentioned. At the other end of the spectrum, an issue has been raised with me on which I would like some clarification from the Minister. By and large, live music performance licences are paid via intellectual property and redistributed among the music industry. A performer at a small festival has to pay an intellectual property licence fee, even though they have no intellectual property because they only do small live performances and they do not release records. That fee is taken from the poorest and given to mega-bands such as U2 and well-known music artists. The Bill offers the Government an opportunity to look at music licences for those at the very bottom end, who do not have any intellectual property but who are paying intellectual property rights to some of these famous musicians. That is a transfer of money in the wrong direction.

I move on to the issue of online pornography and abuse. Although I welcome the increased protections for children against adult content online, I am concerned that the proposals do not have a lot of teeth. There needs to be a firming up of what is in the Bill, and I hope that that is done in Committee. There have been no concrete plans for the enforcement of those protections, particularly when non-UK companies are involved. My hon. Friend the Member for Rotherham (Sarah Champion) has raised many of the concerns with the Bill.

The Information Commissioner has quite rightly pointed to the consequences of failing to think through these plans, highlighting the possibility that information on passports or driving licences may be misused when collected as part of an age-verification system.

The Bill lacks much needed provisions against online abuse, which is often ignored by companies that are not responsible for the content they host. As we have all seen in recent times, there is a growing tendency for people to say things that are simply abusive and to get away with it. The UK is shamed by the level of abuse that we seem to find acceptable, and something ought to be done in the Bill to tackle that.

On the Government's plan for increased data sharing, I have a particular issue I want to raise. More generally, however, the Bill makes it easier for public sector organisations to share data without individuals' explicit permission, which I welcome. My one concern in this area relates to where there are two-tier authorities. I hope the civil servants are taking note and that Ministers are listening. Lancashire County Council wanted to increase the uptake of free school meals, but information on benefits, such as council tax benefit and housing benefit, is held by the district councils. The county council does not have access to such information and cannot reach out to vulnerable people in society who may be entitled to such support. In the past, I have been asked by the county council to intervene. It is wrong

that unitary authorities can share such data, whereas Lancashire County Council and Hyndburn Borough Council cannot do so. This issue ought to be resolved, because it affects constituents, such as mine, in two-tier authority areas, where there are very serious concerns and where progress could be made in reaching people who are not receiving the benefits to which they are entitled.

On the lack of protections for workers in new digital markets, which have been mentioned, employment opportunities in companies such as Uber or Deliveroo are proliferating. Such companies provide many workers with benefits, such as flexible working hours, but without protections, such opportunities will turn sour, leading to distrust between employers and employees, as shown by the recent Uber protests. Workers on casual contracts in the gig economy—my hon. Friend the Member for Hartlepool (Mr Wright) said a lot about this—are less likely to be awarded credit or a mortgage, have fewer protections against redundancy and often have no guaranteed hours. The Bill does absolutely nothing to provide safeguards for this rapidly expanding group of people.

I have been a critic of the Government for how they have gone about renewing the BBC charter. Although the BBC accepted the funding deal in 2015 and assumed the annual cost of free TV licences for the over-75s, the extra cost of £608 million is unduly burdensome on an organisation that is already strapped for cash, with the quality of its content beginning to fray. There is the issue of budgetary pressures, with the merger between BBC News 24 and World News—or the proposal for their amalgamation—leading to a reduction of news services and the danger that we will be left with a monopoly for Sky News if we keep going down this road. I am deeply concerned that the BBC should provide choice and competition with other providers, by which I do not necessarily mean Sky, but primarily Sky in this case.

The Government's handling of charter renewal has been far from satisfactory, particularly in relation to the BBC Trust and the Government's involvement in the appointment of some of the trustees. Carried out behind closed doors, without any public consultation, that process lacked transparency and called into question the BBC's independence. These issues were raised by my hon. Friend the Member for Rhondda (Chris Bryant), and I share many of his concerns.

The hon. Member for Selby and Ainsty touched on retransmission fees. Public sector broadcasters have given their content, for free, exclusively to Sky and Virgin to deliver on other platforms. It is welcome that the Government are addressing that issue. Such public sector broadcasters ought to be protected if they are forced to provide their content on such platforms. They ought to be financially recompensed for the ability of Sky and Virgin to carry complementary and additional programming services on their platforms. The alternative is to allow the public sector broadcasters to withdraw that provision, which would probably not be welcome. It would be better if Sky and Virgin were forced to pay to transmit the five channels.

One issue not covered in the Bill—I ask the civil servants and the Minister to take note of this—is the value of the electronic programme guide. We should deal with that. Increasingly, it is valuable real estate on television. It ought to be for Ofcom to determine the

permissible parameters and scope of the electronic programme guide for various broadcasters. As anyone who watches Sky knows, it has put the guide one tier down. Viewers are presented with Sky content on the splash screen. The EPG is valuable real estate for promoting products. We have to click the programming guide. There is nothing in legislation or regulation that says that the guide has to include public sector broadcasters at the top. Sky and Virgin do that voluntarily.

I believe that Ministers should look at the issue of the electronic programming guide. It should be under Ofcom, and there should be a regulatory framework for its delivery. We may start to see advertising on the guide. Furthermore—this does not relate to Sky or Virgin—smart TV manufacturers are putting their own EPG on. Companies such as Netflix want to link up with those manufacturers to put themselves ahead of the BBC. There is a real issue here. We are starting to see a fragmentation of exceedingly valuable commercial space. There ought to be a new clause in the Bill dealing with that issue.

I move on now to an issue that really pains me, and one on which I want to see the Government come down hard. It is all very well talking about 10-year sentences for intellectual property crimes, but when will we see 10-year sentences for some of the people who, through direct marketing, scam some of the most vulnerable people in society? We keep seeing programmes and exposés of companies that seem to keep most of the receipts from telephone marketing and pass on very little to the charity on whose behalf they are calling and seem to frequently call the same vulnerable, elderly people to take huge sums off them. That is a scam. It should not happen in today's Britain. We should not condone such behaviour. We should look after the vulnerable.

There should be thresholds on how much those companies can skim off. The national lottery can take 0.5%; I do not see why those marketing companies cannot be told that they will get 0.5% and the rest will go to the charity. It should at least be explicitly clear how much is being raised for the charity. Vulnerable people are being repeatedly targeted, and that needs to be dealt with, so does unsolicited junk email, which costs British business considerably.

We talk about a digital economy, but when I speak to businesses they say that they are sick of and fed up with the amount of junk email they receive. It hinders their businesses, and is costly and burdensome. It needs to be dealt with. We need a more robust Government approach, as we do for the all junk mail that comes through our letterboxes. My suggestion to the Minister is that those sending it out should be obliged to put a return to sender postal address on it, so I can march down to my local post box with all that junk mail I do not want to send it straight back to the company that sent it to me; then, I hope, they would get the message and not send any more. The amount that is sent out is outrageous.

Finally, there is the issue of selling on of mailing lists. There is a lack of transparency on internet sites about when people have to opt in or out, and whether personal information can be used. Ultimately, it is a scam in which information is sold on. Then we get that abundance of unwanted emails because someone has commercialised our data. That bulk commercialisation is unacceptable, and the Government have to step in, for no other reason

[Graham Jones]

than that if we ask business people in this country they want to see something done about mass marketing that is affecting and costing their businesses.

5.4 pm

Fiona Bruce (Congleton) (Con): I welcome the Bill and the Government's commitment to the universal service obligation and a quality high-speed broadband connection to every home and business. I do so in the hope that it will facilitate an end to the difficulties endured by very many of my constituents, of whom Ministers are aware, as a result of poor internet speeds that are in some cases wholly inadequate, such as the business owners who have a broadband connection so slow that it can take hours to send one email. I hope, too, that it will end the deep frustration of buyers of new build homes, such as those in Somerford in my constituency who found themselves totally unwittingly moving into their new homes with no broadband service in place, and which then took months and repeated endeavours to get connected.

I welcome the Government's aims in part 3 to protect children from access to online pornography, although I have some reservations that I would like to go into regarding enforcement capacity. I await, too, the details of the age verification procedures. As many as one in 10 visitors to adult sites are children. Some 80% of children now live in households with internet access, so they increasingly have the opportunity to access pornography. I welcome the ambitions of the Bill to make online access to pornography harder for young people, but, as several hon. Members have said, there are reservations.

A number of colleagues have been concerned about this matter for some years. Since entering the House in 2010, I have been part of a group of MPs who produced a report on protecting children from online pornography. I welcome the fact that the report's considerations were fed into the Bill.

On my specific concerns, I would first like to draw the attention of Ministers to a possible anomaly in the Bill as currently drafted relating to the supply of videos on demand. UK-based video-on-demand services are already regulated by Ofcom under the Communications Act 2003, as amended by the Audiovisual Media Services Regulations 2009 and 2014, the latter expressly requiring that UK-based video-on-demand R18 material, which as I understand it is particularly strong pornographic material, must only be made available in a way that cannot be accessed by children. This brought online child protection standards regarding the R18 rating for videos on demand in line with offline child protection provisions, which have long prohibited the sale of R18 videos to children, for example in licensed sex shops.

The Bill further closes the gap between offline and online protections in the sense that it requires provision of age verification checks on pornographic websites showing both 18 and R18-rated material online. My concern relates to videos on demand, because as I read it—I would be grateful for the Minister's confirmation or clarification—clause 15(5)(a) states that the Bill does not cover online UK-based video-on-demand pornography, as it states that

“making material available on the internet does not include making the content of an on-demand programme service available”.

On that basis, it would seem that the law covering pornographic content online, presented in the form of a video on demand, is still dealt with by the Audiovisual Media Services Regulations 2014, which only mandate age verification protections in relation to R18 material, but not 18-rated material. If this interpretation is correct, it is an omission. The failure of part 3 to cover video on demand means that children will remain unprotected from 18-rated videos on demand. I am sure that that is not what the Conservative party manifesto meant when it committed to stop children's exposure to harmful sexualised content online.

I hope that that can be corrected by an amendment. In that regard, I commend to the Government Lady Howe's Online Safety Bill, which had its First Reading in another place in early June. The Howe Bill specifically includes video-on-demand pornography and applies consistent standards on age verification across all 18 and R18 online video-on-demand pornography. I pay tribute to Lady Howe, and to the organisation Care for the work it has undertaken on this issue over many years. Will the Minister explain either how, despite clause 15(5)(a), part 3 somehow fully engages UK-rated video-on-demand material, or alternatively how this anomaly could be considered and corrected in Committee?

Let me turn to other concerns about enforcement, echoing many of those raised by other Members. First, the Bill contains powers for the regulator to impose large fines on providers for persistent non-compliance. The figures are substantial: either 5% of turnover or £250,000. Although I welcome what looks like a helpful provision, a study by the Authority for Television On Demand found that 23 of the top 25 adult entertainment sites were based outside the UK. Admittedly, that was in 2014, but the question arises of how the regulator proposes to fine a pornographic website targeting the UK if it is owned by a company located in Russia, for example.

Secondly, I support mandatory financial transaction blocking for non-compliance. However, although clause 22 allows the regulator to inform credit card companies and other payment providers of non-compliance, I share concerns that there is no requirement for them then to block payments or withdraw services. I understand that the Government's answer to this issue is that they do not think it appropriate or necessary to place a specific legal requirement on those payment providers to remove services, based on the belief that payment companies can be relied on to do so because their terms and conditions require merchants to operate legally in the country they serve. I remain concerned that such a view is optimistic. One reason is that some of these payment providers generate significant percentages of their revenue from adult websites. They are not incentivised to adhere to mere requests to block transactions—a point well known by pornography providers, which further decreases their fear of non-compliance.

Thirdly, no provision is made to allow the regulator to block sites that are non-compliant. I understand that the reason for this omission is that it is disproportionate and considered not to be in line with other policy areas. It seems curious that we are willing to grant powers to courts to take down content that infringes intellectual property, but not to extend the same power to an organisation tasked with preventing children from accessing

all manner of sometimes violent and explicit material, which can have a devastatingly negative effect on their lives.

When granting powers to the state, a high threshold has to be met. The stakes on this issue are high. There has been a disturbing rise in sexual violence committed by young people against young people. Over 800 cases of sexual assaults committed by children under 10 were reported to have occurred between 2009 and 2015. Although growing access to online pornography is not the only explanation for these figures, it is believed to be contributory, with individual cases pointing to it as a primary inspirer of such activity.

While engaging in consensual activity, young people are under increasing pressure to live up to a standard of behaviour portrayed in online sources. They are encouraged to engage in riskier behaviour and to meet an unrealistic standard of physique. This, in turn, can cause problems of low esteem or remove expectations of any emotional connection with sex.

The Government's impact assessment states that the purpose of the Bill is

"nudging the online pornography providers to comply and introduce age verification".

The Government's manifesto promised to

"stop children's exposure to harmful sexualized content online", not merely to nudge it along. I restate my welcome for the ambition in part 3, but I hope that real teeth will be provided as the Bill progresses.

Finally, having said all that, whatever protections the Government devise, they cannot be comprehensive. Parents need to be given as much information and support as possible to enable them to engage with and protect their children from harmful behaviour online in what is a very challenging environment for many parents. That responsibility might not be the responsibility of the Ministers in their places today, but it should be grasped by someone in government.

5.14 pm

Jim Shannon (Strangford) (DUP): It is always a pleasure to follow the hon. Member for Congleton (Fiona Bruce), who made some important points. In the short time that is available to me, I shall make similar points, but I think that they should be put on the record. They relate to access to pornography, protection for children and protection from websites in other countries. We have an opportunity to get the legislation right, and I know that Ministers will take that on board in Committee.

In 2014, the Authority for Television On Demand reported that

"23 of the top 25 adult websites visited by UK internet users... provide instant, free and unrestricted access to hardcore pornographic videos and still images featuring explicit images of real sex."

It also reported:

"Only one of the 1,266 adult websites identified...as having been visited from the UK in December 2013 was a service regulated in the UK."

There is clearly a problem and a need for legislative change, and I hope that that can happen. The key question is, how do we enforce part 3 in relation to foreign sites? There are two basic tools enabling us to rise to the challenge, financial transaction blocking and IP blocking—that is, the blocking of individual websites.

First, the Bill does not provide for any statutory obligation to require financial transaction providers to block transactions with sites operating in violation of UK law, with the imposition of penalties if they do not do so. When pressed on the point, Ministers have suggested that that is not necessary because financial transaction providers are already subject to a general requirement not to process transactions that are in violation of domestic legislation. I am not persuaded by that logic, and I do not think that many other Members are persuaded by it either. On that basis, it could be said that there was no need for a Bill to give the regulator any responsibilities regarding financial transaction providers.

Clause 22 does give the regulator the power to tell a financial transaction provider if a website is operating illegally by not providing age verification checks for the UK market. However, having given the financial transaction providers the information about non-compliance, the Government then fail to address enforcement properly by leaving the financial transaction providers and the existing terms and conditions to get on with it by themselves. We need to sharpen the Bill and make it more effective. At present, there is a curious, half-baked approach that is neither one thing nor the other. The Government are giving the regulator a statutory role in telling financial transaction providers when a company is operating illegally, but then leaving the matter hanging in the air without the provision of a statutory power to follow through and ensure that providers act accordingly to block transactions.

I am convinced that if this policy is to be a success, robust enforcement is key, and I think that many other Members share my view. In that context, it is vital to note important research conducted by Victoria Nash, of Oxford University, on the enforcement of age verification checks in relation to gambling sites in different European states. It concludes that where there are

"strict audit and enforcement requirements",

there is an incentive to invest in

"high-assurance identity and age-verification processes",

but

"where enforcement is patchy and uncertain, the incentives to invest in expensive authentication systems are less clear".

According to Nash, that is

"especially true for smaller or less well-known companies who are also less likely to receive reputational damage if any illegal selling is revealed."

Let me put that in context. When we are dealing with something as important as child safety, when the evidence suggests that certainty about enforcement is critical, and when the decision to give the regulator power to inform financial transaction providers of sites that are in contravention clearly suggests that the Government have already conceded that simply leaving things to the financial transaction providers is not enough, it is clear that the Bill needs to give the regulator a stronger role in relation to enforcement by requiring the financial transaction providers to act.

Secondly, the Bill makes no provision for statutory IP blocking, which is a critical second line of defence, and which is vital if we are to get this right. In the context of an increasing amount of free pornography, it is important that the UK regulator is seen to be a powerful body, with teeth, whose warnings are heeded because the operators of the sites in question know that it has the

[*Jim Shannon*]

power to cut them off from the UK market entirely if they try to ignore the need for age verification processes. That power can be there. There may be a need for this sort of power if websites start trading in so-called cryptocurrencies which cannot be blocked by Visa or Mastercard, or in situations where a free website is funded by advertising but, in the language of the Bill, the ancillary service providing the advertising is not based in the UK and does not withdraw its services from a site.

In these contexts, if the regulator is denied the power to block IPs, it will have no leverage on the pornography site whatsoever, which is unacceptable. Of course the Government have sought to justify their decision on the basis that they believe it would be disproportionate and there are no statutory provisions in this regard for child sex abuse images. This, however, completely misses the point. The reason why there is no need for statutory IP blocking is because child sex abuse images are illegal in most jurisdictions. There is a very strong international consensus that they are wrong—I am not aware of any countries that will say otherwise. The pornography that we are talking about protecting children from is, by contrast, perfectly legal for adults. Despite the evidence that much of it is seriously damaging to children, there is a much greater need for legal compulsion if we are to take significant strides in persuading sites that they need to protect them from accessing material that it is legal for adults to see.

Moreover, current statute does allow for the courts to order ISPs to block websites that are breaching copyright, and that is good news. I understand that in July the Court of Appeal ordered ISPs to block websites that offer counterfeit goods for sale. How can it be right that ISPs can be required by law to block websites harming businesses but not those that harm children? That is incredible—perhaps the Minister will tell us whether that is the case. Let us take the action, get the legislation in place, and make sure we get it right and protect children.

I am not suggesting that if this Bill makes provision for statutory IP blocking that the regulator would use it regularly. The fact, however, that it could use it will cause sites based outside the UK to take it seriously. Mr Speaker, given that we are talking about pornography, I very much hope that you will forgive the pun, but it seems to me that the Government's regulator, without the power to require mandatory financial transaction blocking and IP blocking powers, is a king with no clothes. I request, and hope, that as this Bill passes through its Committee and Report stages, the Government will make good these deficiencies.

5.23 pm

Caroline Ansell (Eastbourne) (Con): My right hon. Friend the Minister for Digital and Culture visited my constituency last year. We met M-Tech, a local enterprise that provides IT solutions to small businesses and education, and we spoke about many of the provisions in the Bill. I welcome the Bill and I am sure the Minister in turn will welcome the news that Eastbourne was recently identified as a hotspot for creative industries. That is very good news and we are looking to build on it, in part through some of the Bill's provisions. But today I want to confine

my remarks to concerns on child protection and age verification, while noting that in keeping children safe online nothing compares to the role of parents and schools. Industry, however, does have its part to play.

I am pleased that the Government are using this Bill to press ahead with our manifesto commitment to stop exposure to harmful sexualised content online by requiring age verification. The central question now, however, is how we rise to that implementation challenge, being especially mindful of the fact that the vast majority of online pornography accessed in the UK is from sites based in other jurisdictions. According to the Authority for Television On Demand, 23 of the 25 most popular porn sites among British users are located in other countries.

The Bill proposes to give the regulator the power to impose fines on non-compliant sites, but what happens if a site in another jurisdiction refuses to pay? The Bill's enforcement proposals on financial transaction blocking rely heavily on ancillary services and payment providers removing their services from sites illegally accessing the UK market from other countries.

As research from Oxford University has demonstrated in relation to age verification checks for online gambling, the best guarantee that age verification checks will be implemented is the certain knowledge that, if they are not, financial transactions will be blocked. Having alerted a financial transaction provider about a non-compliant site, under the provisions in clause 22, regulators should then be required to follow through and ensure that the transactions are blocked, and have the power to act if they are not.

The Minister, Baroness Shields, explained last December that the Government were obliged to introduce new legislation before December this year to make provision for the adult content filtering regime that the Government had negotiated with the big four ISPs back in 2013. She explained that this was necessary because, without legislation, the voluntary approach negotiated by the then Prime Minister would be deemed illegal under European Union law. Although this country has voted to leave the EU, we remain a member at present and we will certainly still be a member in December. Mindful of the fact that this hugely important arrangement helps to protect 88% of British households with children from a wide range of adult content—not just pornography—it is vital that it should continue. How does the Minister see this important protection continuing, if not through the vehicle of the Bill? I look forward to hearing his comments.

5.25 pm

Antoinette Sandbach (Eddisbury) (Con): I very much welcome this opportunity to take part in the debate. Like many of my parliamentary colleagues, I agree with the majority of the principles outlined in the Bill. However, I must caution that it is the way in which they are applied that will ultimately make the difference. In my rural Cheshire constituency, many people feel left behind. There has been huge progress with Connecting Cheshire, but 18,000 households in my constituency remain without access to superfast broadband. At present, they feel that providers can bat around excuses and let themselves off the hook without explaining why my constituents are living in digital blackspots. Those households also seem to be the ones without a mobile signal. That digital exclusion represents a double whammy for them.

We have seen banks being hauled up for mis-selling PPI insurance. I would quite like to see mobile companies being hauled up for mis-selling contracts to customers such as those in my constituency who, more often than not, cannot get a signal. They are being sold 3G and 4G contracts even when the providers know that no such service exists in their area. The chief executives of many of the phone companies have openly written to me to say that they provide only a 2G service there. I urge the Secretary of State to close that loophole and to ensure that the Bill makes provision for those people either to get out of their contracts quickly or to access the 3G or 4G service that they have paid for.

In relation to broadband blackspots, Connecting Cheshire offers a voucher that allows access to satellite broadband. I would like the Bill to offer the opportunity for technology-neutral vouchers, so that customers can decide whether to use them to obtain a wireless connections through radio broadband. That is a very effective provider of broadband that can, in many areas, provide a solution to the last 5% of customers. I have heard many other Members call for those who are at present excluded to be the first to be brought in under any new contracts, and I would like to add my voice to those calls.

Like many others who have spoken today, I have farmers in my constituency who cannot upload the information that they need on, for example, cattle passports or on claiming their single farm payments. More and more VAT returns can now be completed online, and digital exclusion really affects those peoples' businesses, given the amount of time they have to spend working with a really rubbish connection. This is hugely costly to us as a nation.

I also want more sense from BT. Old connections to exchanges can often run over many miles through copper wire. However, modern developments mean that there are often much closer exchanges that may already be fibre-enabled, but there is no power to require BT to move exchanges. I want that loophole closed so that constituents who are closer to a modern exchange can get connected.

Calum Kerr: I absolutely agree with the hon. Lady on vouchers. My worry is that a USO through BT will have a minimum standard or that a satellite USO will just hit the minimum. With a voucher system, communities would be empowered to come together and could use it as a foundation to aim higher than 10 megabits and get fibre to premises. We must not lock the scheme down and restrict the creativity of people in our communities.

Antoinette Sandbach: I hope that Connecting Cheshire will allow communities to band together and use vouchers in areas where superfast broadband has not yet been delivered. I urge the Secretary of State to allow that flexibility and to require BT to provide the money that would otherwise have been available for connection. I welcome the USO—it is a great step forward—but it must be set at 15 megabits and must also include minimum upload speeds.

Finally, on protecting children, we have heard much about age verification, but an NSPCC report indicated that eight children a day are being groomed online—not through access to child pornography, but through social media. Ofcom needs much better powers to deal with online child grooming and social media sites, such as Instagram, Facebook and Twitter. When someone is below the age of consent—under 16—there should be

parental access or some form of parental portal, but that is completely absent from the Bill. I appreciate that that is difficult when ISPs are located abroad, but with the problem of eight children a day being groomed online not being substantively addressed, other than through the valuable work of organisations such as Childline, we need to be able to close the door that allows abusers into children's bedrooms.

Liz Saville Roberts: I am sure that the hon. Lady will agree that it is a real source of concern that the only way of addressing issues with Facebook for people who have suffered through the misuse of profiles is to go to Ireland's Data Protection Commissioner. We do not have the means to deal with such matters in this country.

Antoinette Sandbach: The Secretary of State's previous role was at the Home Office, which has an interest in online criminality and the vulnerability of children, so I hope that she will take note of the comments made today. There is much to welcome in the Bill. New regulations on data protection, which will largely replace the Data Protection Act 1998, may provide an opportunity to close some of the windows. I urge Ministers to consider such provisions given the large number of online grooming cases and the potentially devastating consequences.

5.33 pm

Mark Menzies (Fylde) (Con): It is a pleasure to follow my hon. Friend the Member for Eddisbury (Antoinette Sandbach) and an even greater pleasure to see the Secretary of State in her place. We have heard about the work of previous Secretaries of State in getting the Bill to where it is today, but I want to put on the record my appreciation for what the current Secretary of State will do to ensure that the Bill is implemented in full. I support this Bill. It is necessary and its time has come, but that does not mean that it could not be improved. With that in mind, I will refer to clauses 75, 76 and 77.

Clause 75 deals with regulatory aspects of Ofcom and the BBC, and in my capacity as vice-chair of the all-party group on the BBC I have received representations from members of the National Union of Journalists. They approach the issue not out of a desire to see no change but out of wanting to ensure that the editorial integrity of the BBC is protected. As someone who appreciates the value the BBC has to offer and the Government's intention, which is not to try to impinge on that editorial independence, I urge the Government to give dutiful consideration to these clauses, to ensure that at no future point could the BBC's editorial independence be infringed.

Clause 75 aims to amend the Communications Act 2003, allowing for provision to be made in the new BBC charter and framework agreement so that Ofcom can regulate all the BBC's activity, in its new role as an external regulator. I ask the Government and the Minister: are explicit safeguards in place to bar Ofcom from interfering with the BBC's editorial independence? Are explicit safeguards in place against a watering down of BBC public service commitments, for example, to children's programming? In the past, Ofcom has allowed other UK broadcasters to water down their public service remits, so will the Minister assure me that the clause will guard against the BBC doing this in future? I would appreciate it if he responded to that in his wind-up.

[Mark Menzies]

Clause 76 would insert a new section into the 2003 Act, transferring powers in respect of over-75 licence fee payers to the BBC. Following consultation, the BBC will independently determine the concession, with the power to make changes to it, including by changing the eligibility criteria, the level of the concession and the qualifying age. I invite the Government to reconsider the impact that transferring the cost of the over-75 licence fees will have on BBC funding, and, therefore, the threats to future programme content. Representations have been made to me by the NUJ, which fears that this measure will result in a net 20% cut in licence fee funding. It has suggested that over five years the cut could be up to £1.3 billion.

Such a cut could not only have an impact on the original content of drama productions and documentaries, but could threaten local radio and unique radio stations such as the BBC Asian Network, BBC Radio 1Xtra and BBC Radio 6 Music. Those of us in this House in the last Parliament when the BBC proposed cuts to local radio stations will know that our mailbags were bursting like never before. The BBC was forced to back down on that, so I say to Ministers: let us not put the BBC in a situation where as a result of our not thinking through the long-term consequences of transferring the licence fee for over-75s the BBC in future years has to cut services such as local radio or original drama, because there will be a political price to pay. By transferring the cost of the licence fee, we will not have done a really clever thing by taking the political consequences away from government; there will be political consequences, but they will come further down the line. I would like assurances from Ministers that this £1.3 billion cost suggested by the NUJ is indeed not a real number, and that the arithmetic and the work on this has indeed been done.

I note that the BBC management have accepted these changes, but that does not allay my concerns. I hope that the Minister does not fall back on the default position of saying, “It has been agreed by the BBC management.” It may have been agreed by them, but my constituents pay the licence fee, I represent them and I want to hear reassurances that an agreement between government and the BBC management does not compromise the quality of broadcasting in years to come. If I can get those assurances from the Minister, he will be back at the top of my Christmas card list.

Let me move on to discuss clause 77. The timing in this Chamber is not something that always works well, but today the hon. Member for North Ayrshire and Arran (Patricia Gibson) introduced a ten-minute rule Bill. My goodness what an excellent Bill that was, because it sought to address the issue of nuisance calls. The proposals in clause 77 are welcome, as they improve the current legislation, but they do not go far enough. A Library briefing document says:

“A new section would be inserted into the Act, placing the Information Commissioner under a duty to publish and keep under review a direct marketing code of practice. In the Government’s view, this would make it easier for the Information Commissioner to take enforcement action against those organisations in breach.”

That was written in the assumption that we are dealing with honourable people, but we are not. The companies that overwhelmingly engage in direct marketing are

rogues and shysters. For example, I have a constituent who is in the early stages of dementia. She receives calls almost daily. When she picks up the phone, she hears a message that goes something like this: “Something wrong with your boiler?” When my constituent tries to gather information so that she can deal with the matter, she discovers that the person making the phone call is withholding their number in breach of current guidelines. The caller will not give out the name of the company and will not identify who they are calling on behalf of, and, guess what, they do not have a website. When a person tries to go online to lodge an official complaint, they are asked about the company’s website, the name of the company and its telephone number.

I say to Ministers and officials that we are basing a law on the hope that we are dealing with honourable people. We are dealing not with honourable people, but with the lowest of the low. They are people who are prepared to break the law as it currently stands and to prey on the vulnerable in their tens and hundreds of thousands. They are people who are making an absolute mockery of this place. I say to the Government that if they seriously want to do something about tightening up nuisance calls to the most vulnerable people in our constituencies, now is their chance. They should listen to what the hon. Member for North Ayrshire and Arran put before this House today, because she was talking about fining the directors and holding them to account. It is about questioning the integrity and ability of those directors to be performing such responsible duties as the law currently now permits them.

The law as it currently stands permits fines on companies—but only if we can track down those companies. As the hon. Lady pointed out, these companies—these shysters—will collapse the company, so the fine is never paid. The next day, they will pop up again with a new identity, preying once again on the vulnerable people we were sent here to represent.

I am proud to represent Fylde in this Parliament, but Fylde, like many other constituencies, is made up of very many vulnerable people. I am also proud to support this Government. I will be proud to support this Bill, but I will be even prouder if my right hon. Friend the Secretary of State ensures that, in Committee, we do something to tighten regulations so that we can take on the rogues and shysters and make this her first truly remarkable piece of legislation that transforms the lives of many vulnerable people throughout this country.

5.43 pm

Kit Malthouse (North West Hampshire) (Con): It is a great pleasure to follow the speech of my hon. Friend the Member for Fylde (Mark Menzies), and a joy to rise and welcome this Bill. I wish to raise four points. The first is to welcome the universal service obligation. My constituents speak of little else in the bosky lanes of North West Hampshire these days. They have doused the flames burning on the effigies of my right hon. Friend the Member for Wantage (Mr Vaizey) and started to hoist portraits of my right hon. Friend the Member for West Suffolk (Matt Hancock) alongside those of the Queen in the village hall in the hope that they may finally be connected to the real world.

All of this is remarkably good news, until it is not, which is a little bit like my own internet service where I am offered a particular rate until it is not that rate.

That happens to me most of the time, particularly when the kids all get home from school. Will the Minister clarify what 10 megabits per second actually means? Is it a minimum? Is it permanently 10? Will 10 drop to two when everybody gets home and starts playing their games or downloading pornography? It will be interesting for people to know those things. The critical figure for areas such as mine will be the capped cost to BT or to the other providers of putting a service into our homes. If that is too low, there might as well be no universal service obligation; the farm drives and tracks of North West Hampshire will not be troubled by fibre or copper and so on, because the cost cap is too low. I gather that we will not get that figure until the end of the year, and my constituency will have to wait with bated breath. Until then, the promise is nothing more than that. Clarification from the Minister of what is intended would be fantastic.

Secondly, the Minister may have to enter into a tussle with the Housing Minister on the Neighbourhood Planning Bill as to which Bill will contain a provision making it compulsory for broadband to be fitted to all new housing. It is fairly obvious from the contributions of my hon. Friends and other Members this afternoon that there is a strong swell of opinion in the House that that should happen, and that developers will have to swallow it up. Given the assistance that they will be getting from the Government in expanding their businesses across the United Kingdom in the next few years, the least developers can do is fit this now essential utility to the houses that they build. I would recommend that the Minister speak to the Housing Minister, because someone somewhere will table an amendment, and it will get huge support in the House.

Thirdly, I alert the Minister to an amendment that I intend to table on Report. The Whips will not put me on Bill Committees, but I will table an amendment on Report, if it does not emerge beforehand, on the subject of business rates. It is a technical point, but it impacts heavily on competition in the sector. I know the Government are keen to promote competition. At the moment, BT has a fairly good deal from the valuation office on business rates on its network. Business rates are chargeable on a fibre broadband network. BT pays a lump sum, which reduces as it loses market share. If it expands its network, it pays no more—just that lump sum.

However, a new entrant to the market, putting in fibre broadband, will be required to pay business rates on that network. Paradoxically, that rate bill will be higher than the charges that BT would levy on it for renting the line from BT, thereby entrenching the BT monopoly. This differential treatment under the non-domestic rating system cannot be right. I will be tabling an amendment requiring the valuation office to produce a report annually on the impact of the rating system on competition in the sector, because we are asking people to compete to put fibre into the home, particularly across rural networks, and they are doing so with this huge hidden bill, which does not accrue to the major competitor—BT.

Finally, I want to address the issue of pornography and filters on the internet. That is, as many Members have said this afternoon, an enormous issue not only for parents but for society. It is having a massive impact on the way in which boys and girls see one another and the way in which they deal with relationships, and sex.

The Government have tried, over the past few years, in coalition and now, to take steps towards dealing with that, but sadly, I am afraid, to little effect. Although the Bill makes a brave attempt, I must tell the Minister that I do not see it having a significant impact on the availability of pornography on the internet, for some of the reasons that other Members have elucidated.

Most of this stuff comes from overseas. Much of it comes from the United States, where it is protected under constitutional rights, apparently. Much of it is free—it requires no online transaction via credit card or otherwise. It will be easily available to anybody who wants to get it who does not have a parent who puts a filter on.

I would very much like to see the Government shift their target away from the providers of websites to the people who could do something to filter the content—the internet service providers. We know the ISPs can identify these sites because they do so already for parental filters. If someone puts a parental filter on, they will identify the site and block it. There is no technical reason why the ISPs could not also identify it and put an age filter on, that would appear every time someone tried to access it, that required a credit card number or required the usual age verification applied by gambling sites. The ISPs could easily put such measures in place.

If the Minister will forgive me, I would point out that the Government are missing the target by going for the sites, which move around the world, between jurisdictions and between countries, whereas the ISPs, who are here and who we could get hold of, could technically achieve what we want for us. This is a very pressing issue indeed and we have talked about it for the 18 months that I have been in the House, and for the previous 10 years when I was watching from outside. The time has come for the Government to do something really bold about this—to move forward in a way that no other country has, by requiring age verification for pornography, at the level of the ISP. Those organisations are the newsagents who stop the magazine. They are the television company that is broadcasting the programme. They are not free of obligation in this menace to our young people and they should start to play their part. I call upon the Government to oblige them to do so.

5.50 pm

Nigel Huddleston (Mid Worcestershire) (Con): It is an honour to follow my hon. Friend the Member for North West Hampshire (Kit Malthouse) who, as always, brings passion and insight to the debate—a difficult act to follow, but I will try.

Technological advances, including the internet, have transformed the way we communicate and the way we are informed, educated and entertained. This Bill will help bring legislation, regulation, consumer rights and protections up to date, but this is an evolution. We are only at the very beginning of the digital journey and I suspect that during my time in this place, we will see many further such Bills. I strongly support the Bill, particularly as it is a very consumer-friendly Bill, with many measures to protect and strengthen the rights of our constituents.

Like many colleagues, I have been approached by constituents and other stakeholders who have expressed concerns about elements of the Bill and have suggested some potential changes. I am sure the Minister and the

[*Nigel Huddleston*]

Department have likewise been approached, and I am confident that plenty of time will be set aside during the Committee stage to scrutinise the details and for certain amendments to be made to avoid some of the unintended consequences that various players have highlighted and that we have heard about today.

The previous Secretary of State, my right hon. Friend the Member for Maldon (Mr Whittingdale), has commented that this Bill

“will put in place the foundations for the digital future”

and

“make the UK a world leader in digital”.

I respectfully suggest that we are already a world leader in the digital space, and the focus should therefore be on sustaining our leadership position, which we cannot and should not take for granted. So far digital is clearly a UK success story. The UK is one of the most sophisticated and advanced digital economies on the planet. At 12.4% of GDP the UK has by far the largest digital economy in the G20—not just slightly larger than that of any other nation in the G20, but miles ahead. The next largest is South Korea at 8%. Our digital economy as a percentage of GDP is three times that of Germany and four times that of France.

Average spending online in the UK per head is double the European average, and more than 1 million jobs are sustained by the digital sector in the UK. The sector is growing at about twice the rate of average GDP growth. The strength of our digital sector is something we should be shouting from the rooftops, and as a nation we should be very proud about it indeed. Yes, we have adopted and leveraged the applications and service offerings of the global giants such as Google, Microsoft and Facebook, but we have many home-grown success stories, too—ARM Holdings and Micro Focus being particularly newsworthy recently.

The speed and enthusiasm with which the British public adopt new technologies and are willing to experiment with new ways of doing things is key to our digital success as a nation. The sophistication of our much maligned financial services sector has also played a key role in our digital success. We are willing to transact online only because we are confident that our transactions are safe and secure and the risk of fraud is low. Other nations with far less sophisticated and secure financial services sectors have seen much lower consumer willingness to transact over the internet and share financial information online. That has held back their digital development. This Bill will help provide the solid foundations for future digital growth, with its emphasis on enabling digital infrastructure, consumer rights, protecting intellectual property and ambitious goals for Government digital services. Although much has been achieved, there is still much more to do.

We have made huge progress in broadband, but if my mailbag is similar to that of other hon. Members—and I suspect it is—residents and businesses contact us all the time to express dissatisfaction with their current level of service. Problems often relate, though not exclusively, to BT and Openreach, which has a lot to do to improve service. Improvements also need to be made in mobile coverage, in rural areas in particular. The Bill identifies improvements both in the regulatory framework and in

making switching service providers much easier, which I applaud. It will encourage price competition and enhance customer service levels.

I know that my constituents will welcome the improved level of information that will come as part of the new power for Ofcom to order communications providers to release data to help them make more informed choices. Of particular help will be the ability to obtain address-level data on broadband speeds, addressing the issue of advertised estimated broadband speeds only at postcode level, where actual speed can vary significantly from property to property, depending on how far the property is from a cabinet.

Overall, the Bill places significantly more power in the hands of Ofcom—a highly respected regulator. It is worth noting that Ofcom already has oversight of many aspects of the UK’s fast-changing broadcasting landscape. If the new governance and regulatory structure proposed for the BBC is adopted, as we suspect, Ofcom will take on additional responsibilities relating to the BBC. I would appreciate the Minister’s comments on how he envisions Ofcom’s new powers over the BBC being exercised in practical terms, and particularly as they relate to online offerings, the regions, BBC production and transparency.

The UK broadcasting industry, and particularly the public sector broadcasting industry, has been extremely innovative in developing online TV propositions, with Channel 4’s Catch Up service and the BBC’s iPlayer leading the way. The future of Channel 4 has been the subject of much debate recently, and the Minister may wish to comment in the context of the digital evolution of the UK economy on possible future changes in the ownership and governance of Channel 4.

Let me move on briefly to the issue of protecting children from online pornography. I welcome the Government’s desire to restrict access to harmful sexualised content that could change children’s attitudes towards sex and relationships, as has been mentioned many times today. There have already been welcome steps in this regard, not least from internet providers themselves in providing family-friendly filters free to customers to filter out unsuitable content. Most of us would agree that providers of pornography should have age verification controls in place to prevent children from being exposed to it. I therefore welcome the proposals in the Bill for age verification and particularly for the regulator.

However, the regulation must have teeth to deal with those content providers that do not have controls in place, even if they are based overseas. The civil sanctions the Bill introduces are an important step, but I understand that the Bill does not provide for the actual blocking of non-compliant websites, and I would ask the Minister to continue working with all stakeholders in the sector to find a way to block sites and therefore clearly meet our manifesto commitment to stop children’s exposure to sexualised content online.

In conclusion, I have touched on only a few aspects of a very wide-ranging Bill with some very welcome components. As I said, the UK already has a digital lead, and it is a leading digital economy in the world. The changes the Bill will introduce will help the UK to retain a commanding digital position for many, many years to come.

5.57 pm

Neil Carmichael (Stroud) (Con): It is a great pleasure to follow my hon. Friend the Member for Mid Worcestershire (Nigel Huddleston), because he made the fundamental point about the size of the digital economy in the United Kingdom and its importance to so many of our constituencies, including my own.

One of the things I want to highlight first is that we in Stroud have a strong and growing e-learning centre, effectively, with a large number of small and medium-sized firms contributing to its success. Of course, e-learning depends to a large extent on effective internet coverage and good access. My constituency has five valleys and a substantial vale, and not all of those places are easily connected. That has certainly proved to be the case in the final move towards universal coverage. I therefore make a plea to the Minister to recognise not only the strength of e-learning in my constituency but the power of the digital economy in general, and I urge him to think of ways, in addition to those he has already come up with, to make sure that clusters of small businesses in areas that need additional contact are indeed supported.

The Minister's predecessor, my right hon. Friend the Member for Wantage (Mr Vaizey), talked about the importance of infrastructure and about the similarity of the infrastructure for the internet to other infrastructures, and I would pick up on the issue of road infrastructure to illustrate that point. An impressive motorway or a road leading almost to somewhere, but not quite getting there, is useless. That is part of the problem with the internet coverage in areas that are, I admit, difficult to deal with, but that do need special attention because they are also often the areas where growth will come if we get the right kind of connectivity. There is a cluster of businesses in rural areas that really do need attention. *[Interruption.]* I can see that my point is getting a lot of approval from Members on both sides of the House. Obviously Scotland is—

Kevin Foster (Torbay) (Con): My hon. Friend is making an excellent speech. Does he agree that this is also about the inability of certain services to switch to being online while some people are excluded from having these fast internet connections?

Neil Carmichael: I thank my hon. Friend for that intervention. He raises an important point. My hon. Friend the Member for North West Hampshire (Kit Malthouse) raised the issue of what people get, in that sometimes they do not get what they expect to get and sometimes they do get it and then it becomes less later. That is the sort of problem that we have. Consumers are concerned about it, and rightly so. It is also clearly a problem for small businesses, as I said. These matters need to be dealt with.

I want to endorse something that my hon. Friend the Member for Folkestone and Hythe (Damian Collins) talked about: copyright and protection of intellectual property. He made a strong point. The Culture, Media and Sport Committee will benefit from his expertise in this matter. He rightly pointed out that copyright on the internet is sometimes vulnerable and we need to make sure that measures are strengthened in that respect.

I now turn to something completely different, which is not in the Bill although I think it should be: subtitles. This connects with the interests of, for example, Action On

Hearing Loss. The Bill offers a great opportunity to improve access to information for people with hearing difficulties by changing the structure of services. Would the Government consider using the Bill to improve the provision of subtitles on on-demand services, given the drastic improvement of their provision on linear television following legislation that has since become outdated? We need to look at this area. I am half deaf myself. My left ear does not work at all, but I can still hear. Nevertheless, that gives me a huge amount of sympathy and understanding for those who cannot hear at all. There could be an opportunity to help them, and the Government should be looking at it.

It is certainly right that young children should be prevented from looking at pornography. It is also absolutely right that we should be thinking in terms of the measures that the Government have introduced. However, some of the operators in this field, and some of the social media operators, operate almost like fiefdoms, and we have to really get some control over them. If an outfit is told to switch something off but does not do so, I am not entirely sure what the Government are going to do about it. Will they say, "We are going to fine you now," and then hope for the best? The problem is that so many of the types of structures that we want to restrict, or even prevent from operating altogether, are international, based in countries where we do not have any jurisdiction, and sometimes—certainly in the case of Russia—with which we have a very difficult relationship. The Government need to think carefully about how they are going to put some real strength behind these measures, which are quite sensible in terms of aspiration but have to be delivered in a way that works.

6.4 pm

Huw Merriman (Bexhill and Battle) (Con): Madam Deputy Speaker, you are the fourth occupant of the Chair since I sat in the Chamber four hours ago to listen to this fine debate. I will endeavour to get your title correct, but I keep having to cross out my notes. The situation resembles that involving Labour Front Benchers over the preceding months.

Despite great work by East Sussex County Council, too many parishes in my constituency are in the final 5% that do not have a connection to fast broadband. With an ageing constituent profile, it is essential that we balance our local economy by attracting more people to work and live in our locality. With a daily commute that, when Southern trains are running, perhaps takes too long for many, we have the perfect opportunity to deliver the connectivity that will attract those who are looking to work in or run businesses from the beautiful east Sussex area of outstanding natural beauty. Who would not want to do that?

I therefore welcome the introduction of a universal service obligation, which will give the final 5% fast broadband. For many of my rural constituents, that will be akin to building a new road or railway line. It is vital for our whole economy that we do not leave those residents behind.

With that in mind, I want to repeat a request I made to the previous Minister covering this brief. As I understand it, the Government expect the USO to work akin to the telephone USO, pursuant to which BT covers the first £3,400 and the consumer pays costs above that threshold. With Openreach dominating the market, I am concerned

[Huw Merriman]

that it will determine the cost to be greater than the threshold and that rural residents could therefore be priced out. Would it be possible for the market to be opened up, so that any provider could tender and that, if it could deliver below the threshold while Openreach proposed to deliver above it, Openreach would then have to charge at the lower rate or, preferably, outsource the work to the cheaper provider? That would not only deliver the USO to more consumers, with no extra cost, but open up a market that I contend is too heavily dominated by BT Openreach.

To that same end, I am conscious that assessing broadband coverage can be determined only on a property-by-property basis at present. Would it be possible for the Government to ensure that that information is instead published as open data, so that competitors to Openreach can better fill the void?

On a separate, stand-alone note, I understand that a breach of the data-sharing rules, as prescribed by clause 58, may result in criminal sanctions. Given the proportionality involved, may I suggest that that be reclassified as a civil matter?

I am the new chairman of the all-party parliamentary group on the BBC, and two measures will have an impact on the BBC. First, clause 76 will transfer the responsibility for the policy of free TV licences for over-75s to the BBC. The cost of the policy will be met by the BBC as the Department of Work and Pensions reimbursement is phased out over time. That will ultimately lead to the BBC being required to find an extra £750 million a year to break even.

Those who bemoan the loss of “The Great British Bake Off” to Channel 4 need to understand the environment in which the BBC now operates. Given the requirement under the charter renewal to outsource more programme making, such situations are only going to recur. I regret that the BBC has to fund a policy that was devised by the Labour party as an election giveaway and from which it is now deemed politically infeasible to withdraw. It should not be for a public broadcaster to deliver welfare, and if the provision is not welfare, we should ask why it exists in these times of austerity. Although I do not welcome the transfer, I ultimately accept that we are where we are, so I welcome clause 76, which will confer policy control on the BBC, so that it can assess the policy’s future.

Clause 75 will transfer the BBC’s regulatory oversight to Ofcom. I welcome that change as a means of reforming the blurred lines of regulation. I also welcome the related introduction, via the charter review, of a new unitary BBC board, the majority of whose members will be appointed by the BBC itself. When it does so, it would be welcome if the BBC considered appointing a staff member to the board. In her speech on the steps of 10 Downing Street, the Prime Minister called for more worker representation in the boardroom, and it would be good to see the BBC leading that charge.

May I suggest that Ministers consider adding a new clause to this excellent Bill to strengthen our free-to-air listed sporting events? These sporting celebrations allow our nation to come together and be inspired by the finest athletes, sportsmen and sportswomen. To put that in context, 13 million people watched the Wimbledon final, but fewer than 1 million people watched the Open

golf and our cricketers beating Pakistan via pay TV. More than 45 million of our nation’s people watched the Rio Olympics.

When considering the health and wellbeing benefits that such inspiration can bring, I am concerned that the current rules protecting free-to-air may need an update to maintain the current regime. The current rules require the content to be free and to be “received” by 95% of the population. I understand that the Government will continue to support the current listed events policy, but there is a danger that, with an increasing number of household media platforms, we will soon find that less than 95% of the population receive the content via their television set. I hope that the Minister will agree to use the Bill as a means to review the legislation to ensure that the free-to-air genesis continues. It would merely require the addition of the words “or capable of being received”.

To conclude, I warmly welcome the Bill and the support that the Government are giving to the digital economy, a sector that accounts for 10% of our businesses and 5% of our workforce. Those innovators are a huge growth opportunity for the whole UK, and I look forward to this Bill passing into law.

6.11 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to wind up on behalf of the Opposition. I congratulate all hon. Members who have spoken in this debate and made so many important and interesting contributions. My hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) made an excellent speech setting out Labour’s view of this most significant Bill. She has a fine academic background and considerable experience in the digital economy sector, and she speaks with great authority on the subject. I congratulate her on what she has said today.

I should also congratulate the Secretary of State on what I think was her first Second Reading lead speech. I have no doubt that she will be making many more. Another Member with significant expertise and experience in the sector is the hon. Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr), who made an excellent and well-informed speech on behalf of the Scottish National party. The former Secretary of State, the right hon. Member for Maldon (Mr Whittingdale), naturally made a very well-informed speech; he was, of course, the Bill’s primary progenitor, and he was still the Secretary of State on its First Reading.

There were other interesting speeches as well. I could not be here for the whole debate, because I had Front-Bench duties for two shorter debates in Westminster Hall. Indeed, I think the Minister was in a similar situation, because we were opposite each other at that time. We had some interesting speeches from the right hon. Member for Saffron Walden (Sir Alan Haselhurst), my hon. Friend the Member for Hartlepool (Mr Wright), my right hon. Friend the Member for Slough (Fiona Mactaggart)—she made a first-class and powerful speech on the need to protect our children from pornography—the hon. Members for Devizes (Claire Perry), for Berwick-upon-Tweed (Mrs Trevelyan), for Eddisbury (Antoinette Sandbach), for Bexhill and Battle (Huw Merriman), for Somerton and Frome (David Warburton), for Richmond (Yorks) (Rishi Sunak), for Mid Worcestershire (Nigel Huddleston) and for Stroud (Neil Carmichael), and my

hon. Friends the Members for Makerfield (Yvonne Fovargue) and for Sheffield, Brightside and Hillsborough (Gill Furniss). I was particularly taken with the last speech by the hon. Member for Bexhill and Battle, and I strongly agreed with what he said about listed sporting events.

Some 56 years ago, I studied electronics as part of my A-level physics, when valves were just being replaced by germanium diodes in the early, almost prehistoric, years of the digital revolution. I made a great leap forward by soldering a germanium diode into my crystal set, which made my late-night listening to jazz programmes wonderfully more vivid. I was grateful for that. It was the beginning of the miniaturisation of electronics, which led on to the digital economy. The leap from the valve to the germanium diode was the beginning of it all.

Some 20 years later—some 35 years ago—I was a research officer for the trade union that was then called the National and Local Government Officers Association. I wrote two pamphlets, one of which was on the future of new technology. I only half believed it at the time, but it came to pass almost before the ink was dry. In fact, I thought it was wholly unrealistic that we would one day be able to go to the supermarket and have our bank accounts debited directly. I just thought that was highly improbable, but it actually happened very quickly.

The other pamphlet was about workers' rights and protecting workers in the new digital economy. The Bill contains much that we support, but we believe it requires substantial amendment, which we shall seek to achieve in Committee. As it stands, the Bill does nothing to protect workers' rights in relation to new digital labour relations, but new rights and protections are vital. Thirty years on from my pamphlet—I may dust off my now ancient pamphlet and bring it along to the Committee—problems for workers have intensified and must be addressed.

Other concerns about the Bill include the absence of any legislative framework for data sharing and the lack of provision for the protection of citizens' identities through digital communications. We welcome the proposed universal service obligation, but lament its late appearance and the slow and inadequate roll-out of universal fast broadband. The protection of consumers from nuisance calls and the provision for marketeers to be prosecuted are again welcome, if late in the day. Labour also supports the introduction of further measures to protect children from pornography, but enforcement must be strengthened to make it effective. Protection against online abuse, which is frequently directed at women, also needs to be much strengthened.

The area in which we fundamentally disagree with and fundamentally oppose the Government is their decision to transfer the funding of television licences for the over-75s to the BBC. I should declare an interest in this, having just reached that great age. I have not yet claimed my free television licence, but I may do so in the near future. Free television licences, introduced by Labour, are a social benefit and should continue to be funded by the Exchequer, not squeezed out of the jobs and livelihoods of BBC employees, nor paid for indirectly by other licence fee payers, and they should certainly not be paid for by elderly pensioners. The idea that policy and paying a benefit should be decided by an independent public service broadcaster and funded by viewers and

listeners, not by the Government, is complete nonsense and utterly unacceptable. We shall pursue this matter in Committee.

As we have said, we support much in the Bill, but there are substantial omissions and errors that we want to correct in Committee and possibly on Report. We will not oppose the Bill this evening—we will abstain—but that does not necessarily mean that we accept that the Bill is all positive, because there are things that desperately need to be corrected. I thank hon. Members for their contributions. I have listened to them with great interest, and I hope that we can have equally important and useful debates in Committee.

6.17 pm

The Minister for Digital and Culture (Matt Hancock):

They say that success has many fathers, and I hope that is true of the Bill because this debate has been a veritable custody battle. My right hon. Friend the Member for Maldon (Mr Whittingdale), whose name appears first on the back of the Bill, gave a second opening speech to explain where much of it has come from. My right hon. Friend the Member for Didcot—[HON. MEMBERS: "Wantage."]—made a brilliant speech. I think of my right hon. Friend the Member for Wantage (Mr Vaizey) as the Member for Didcot because of that great big power station, which he so resembles; sadly, it has now fallen down. He developed much of the detail of the Bill and deserves enormous credit for his work.

Between us, the Parliamentary Secretary, Cabinet Office, who, with me, will take the data measures through the Committee, my right hon. Friend the Secretary of State, who we could say is the mother of the Bill, and I—I am honoured and privileged to be the Bill Minister—all claim credit for parts of the Bill. It has been a team effort, and a huge amount of work over several years has gone into bringing the Bill to this point. I want to thank all the Ministers and the many officials and stakeholders who have been involved in its development.

This has been an excellent debate, with insightful and thought-provoking contributions from all sides of the House. We have heard about the increasing importance of digital technology and infrastructure to our constituents and the economy. I am glad that there seems to be a consensus about the importance of the subject. We have heard some impassioned pleas to ensure that we protect the vulnerable, and the Bill takes steps to do so.

Technology is transforming the world in which we live—our homes, work and daily lives—and the Bill seeks to make the benefits of those transformations as big as possible while mitigating some of the inevitable costs. We need to ensure that our laws and infrastructure keep pace with this great change. We must tackle the problems the change brings and seize on the opportunities.

We have the best superfast broadband coverage and highest take-up of all major European nations, but we want us to have more. Although nine out of every 10 homes and businesses can now access superfast speeds, and we are on track to hit the target of 95% coverage by 2017, we want high-speed broadband for all. The Bill takes the next step, with the universal service obligation. In the same way, as we deliver through infrastructure the internet that enriches our lives, we will also take steps to protect children from online pornography, addressing harms highlighted by many in the Chamber.

[*Matt Hancock*]

Likewise, the Government Digital Service has made the UK Government one of the first digital-by-default states, in a model replicated the world over, but we can do more. The Bill will strengthen how we use Government data to deliver better public services.

Mr Vaizey: I read press reports about the Government Digital Service being broken up and distributed around Departments. I always thought that the service was a fantastic innovation. It behaved like a start-up, challenging and pushing the envelope. During his remarks will the Minister give a helpful update to the House on the position of the Government Digital Service?

Matt Hancock: I reassure my right hon. Friend that the Government Digital Service goes from strength to strength. It secured significant extra funding in the spending review and is delivering, as it has done and will continue to in future.

Graham Jones: It is a credit to the Government that we are one of the Digital 5, but is it not also true that we are a long way behind Estonia, which is probably at the forefront in digital technology?

Matt Hancock: I am grateful for the hon. Gentleman's supportive comment about how the Government have done on digitisation. We have made a huge amount of progress and are one of the world leaders. Some states find this process easier, partly because of national culture. Estonia bases its Government digital services on a universal identity system that we disagree with here; it has a much more willing approach to having an ID card system than the UK does. Also, by its nature our country is more complicated and much bigger, so things are more complicated here, but we can learn a lot from the brilliant work Estonia is doing. I have personally worked with the Estonian Government to take the lessons and apply them in our own context.

There were three areas in the debate that really got the House going. The first was age verification. Incredibly strong speeches were made on that by the right hon. Member for Slough (*Fiona Mactaggart*), the hon. Members for Rotherham (*Sarah Champion*) and for Bristol West (*Thangam Debbonaire*), my right hon. Friend the Member for Basingstoke (*Mrs Miller*), my hon. Friends the Members for Devizes (*Claire Perry*), for Congleton (*Fiona Bruce*) and for Eastbourne (*Caroline Ansell*), and others. Age verification is an incredibly important step forward. Legislation is in place to deal with the online abuse that many Members also raised—the cyberstalking and harassment—and, as Members of Parliament, we all understand the challenges that we face on that. We remain committed to improving online safety; it is a challenging area, but we will continue to work to push that forward. The views of the House will be key to that process.

Kit Malthouse: Does the Minister accept that the impact of the measures will be limited given that, as a number of Members have pointed out, the vast bulk of the material we are trying to protect children from comes from overseas? The Government's jurisdiction will therefore be limited and the impact will therefore be limited.

Matt Hancock: No, I do not. We have tried to devise them in such a way that they have an impact on both overseas-hosted sites—they must, because of the international nature of the internet—and free sites.

Many Members asked questions about blocking and user-generated content. I will take those away and no doubt return to them in Committee. I am very clear that the Bill takes us forward. We need to listen to the views of the House to ensure that we get the details right.

The second area in which there was a huge amount of interest was broadband. I am incredibly excited that 91% of premises now have access to superfast broadband. The universal service obligation in the Bill is a huge step forward, bringing high-speed broadband to all.

A few questions were raised on the detail, not least the 10 megabits assessment. As I said in an intervention, the Bill puts in place the power to have secondary regulations to ensure that if we need to increase the minimum speed we can do that. That is a very important step forward. Many Members asked about the exact design of the USO, in particular how we will make sure the speed is appropriate. Ofcom will consult on the precise design of the USO in the autumn, so that we can make sure we get the details right.

Tom Elliott (Fermanagh and South Tyrone) (UUP): I appreciate the more-than-90% high-speed broadband availability that the Minister talks about, but what comfort is there for people in my constituency, where less than 70% of the public are able to access high-speed broadband?

Matt Hancock: The comfort I can give the hon. Gentleman is that if he votes for the Bill we will have a universal service obligation to get high-speed broadband up to 100%.

Jim Shannon: The Department and the UK Government have allocated specific funds to the Northern Ireland Assembly to enable greater availability of broadband. Do the Government intend to do that again to enable the remaining small percentage—I think it is about 13% across Northern Ireland—to access broadband?

Matt Hancock: There is a fund to ensure that we get fast broadband out to as many people as possible. There is something that every single Member can do to make sure that that fund goes as far as possible. The contracts are structured so that the more people take up broadband, the more the local authority or delivery partner gets back in a clawback. They then spend that money on reaching more premises and more households. I urge everybody to run a broadband take-up campaign in their constituencies, because the more people who sign up for broadband in a Government-supported Broadband Delivery UK area—about 20% of households—the more money comes back to the programme and the more houses can be reached. The clawback means that all of us can have a direct impact on how much broadband is delivered in our local areas.

Kit Malthouse: I just want to be clear, because many of my constituents will be listening carefully, on what 10 megabits per second actually means. The Minister, in an intervention, used the word “minimum” when he said that the universal service obligation would be 10 megabits

per second. Is he saying that it is the Government's intention that some broadband speeds should never fall below 10 megabits per second, no matter what their neighbours, or anybody else who is sharing capacity, are doing?

Matt Hancock: My hon. Friend raises an important point. I see 10 megabits as the absolute minimum, but the definition of what has been advertised in the past for high-speed broadband is a really important issue. This is not an area of statutory regulation, because we do not have statutory regulation for advertising. The Advertising Standards Authority makes the rules. It is consulting on changing the so-called "up to" definitions in advertising to make sure that there is a tighter definition so that people get what is advertised. I think it is fair to say that, should that change go through—it is a non-statutory area—it would be widely supported across the House.

Fibre to new homes was raised by many Members, so let me give this answer. In January, it will become law that superfast broadband needs to be supplied to new homes. There is a commitment to provide fibre to sites with more than 100 new premises. This is a big step forward. Lots of people asked questions about it; secondary regulations went through; the reason it is not in the Bill is that we think we have made the progress needed to ensure that we deliver in this space.

Likewise, many people asked about agreements on landowners' rights under the electronic communications code, which I agree is an incredibly important step forward. I pay particular tribute to my right hon. Friends the Members for Maldon and for Wantage for driving this through. The new code will be a baseline that removes a lot of the room for dispute. It will apply only to new contracts, but many if not most contracts and agreements for siting masts will remain on commercial terms. It will not be required to use the new code; the new code will be the baseline from which the negotiations can take place.

Let me touch on the Opposition Front-Bench contributions. I felt that the two Labour contributions were well informed and the agreement on the vision was very positive. I would like to react to a few points. Sadly, I thought there was a rather shrill position on data sharing, and I was slightly disappointed with it. Given that we have had two years of open policy making and a full public consultation, it was a bit of surprise to hear that the Labour Front-Bench team was not involved.

The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) was wrong about the Communications Act 2003 when she said that measures build on Labour's Act and that it was a pity that no progress has been made since 2003. Actually, this Bill builds on the Telecommunications Act 1984. The hon. Lady was also a bit muddled over the BBC. When she argued for more BBC spending power, I was not sure whether she wanted the licence fee to be put up. I think that making costs for phone masts lower is an important part of rolling out the infrastructure to make sure that we get as much coverage for 5G and 4G as possible. We can take up all these points in Committee.

Chi Onwurah *rose*—

Matt Hancock: We can take up some of them now.

Chi Onwurah: I shall try not to match the number of interruptions that the Minister made during my opening speech. Given that he referenced me directly, however, let me say that the Communications Act 2003 revised the electronic communications code. I know because I used to work with it beside me at Ofcom. I shall try not to be shrill in pointing out to him that if he is seriously asserting that he has fully consulted the public on data sharing, I shall hold him to that in the responses that he will see coming to the policies that he is putting forward to extend data sharing in ways that the public do not yet understand and will not like when they do fully understand the way in which their personal data will be shared.

Matt Hancock: The data-sharing elements of the Bill are designed to improve public services, to make sure that we can tackle fraud and to have better statistics in this country. I think the public will broadly support the aim, for instance, to better target support for those who have difficulty paying for their energy costs. I look forward to taking this debate on further.

Finally, let me touch a little more on the support for victims of online abuse and the question of the link to it.

Chris Bryant: Several Members referred to when the draft charter for the BBC will be published. I hope that this Minister will be able to say, as former Ministers were suggesting from sedentary positions—and are now with prim faces—when this might be. Will it be tomorrow or the day after? Will the Minister also guarantee that there will be a debate here and in the House of Lords before the charter is implemented?

Matt Hancock: The hon. Gentleman tempts me on the BBC charter. I can tell him that it will be published shortly, and that there will be a debate in both Houses to take note of it, which is the normal process.

Mr Vaizey: Talking of publishing documents, I wonder whether, given the brilliance of the Bill and the forthcoming charter, my right hon. Friend could also illuminate the House on whether he plans to publish a fantastic digital strategy showing how the United Kingdom can thrive by investing in its hugely successful technology industries.

Matt Hancock: The Government as a whole are an enthusiast for industrial strategy, and digital must underpin the industrial strategy. As the digital Minister, I am a great enthusiast for digital strategy, and I pay tribute to the work that my predecessor did and the service that he gave. He did an enormous amount of work in both the cultural and the digital spheres to ensure that the United Kingdom was at the forefront of digital nations; indeed, I would say that all his work contributed to a strategy. He said that he wanted, in future, to use Broadband Delivery UK as a taskforce to go around the country improving the delivery of broadband. It was almost as though he was looking for a job.

Mr Vaizey: While we are on the subject of how hard I worked as a Minister, let me point out that I worked incredibly hard on radio. I wonder whether my right hon. Friend could illuminate me on when he will introduce the proposals for the deregulation of radio on which I worked so hard.

Matt Hancock: I know that my right hon. Friend and the hon. Member for Newcastle upon Tyne Central are good friends and admirers of each other, so I will say likewise that any proposals on radio will come forward shortly.

Overall, the Bill has been well received. It drives Britain forward in the right direction. It gives us an opportunity to secure our digital future, to secure the infrastructure and connectivity that we all know we need, to improve public services through better use of data, and to secure protections for citizens in a digital world. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

DIGITAL ECONOMY BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Digital Economy 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 27 October 2016.

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 proceedings on Consideration 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 up to and including Third Reading.

Other proceedings

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—(*Chris Heaton-Harris.*)

Question agreed to.

DIGITAL ECONOMY 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 Digital Economy Bill, it is expedient to authorise:

(1) the charging of fees;

(2) the imposition of financial penalties; and

(3) the payment of sums into the Consolidated Fund.—(*Chris Heaton-Harris.*)

Question agreed to.

DIGITAL ECONOMY BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Digital Economy Bill, it is expedient to authorise the payment out of money provided by Parliament of:

(1) any expenditure incurred under or by virtue of the Act by a Minister of the Crown, a person holding office under Her Majesty or a government department; and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—(*Chris Heaton-Harris.*)

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Madam Deputy Speaker (Natascha Engel): With the leave of the House, I shall take motions 6 to 8 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TOWN AND COUNTRY PLANNING

That the draft Neighbourhood Planning (Referendums) (Amendment) Regulations 2016, which were laid before this House on 29 June, be approved.

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

INTERNATIONAL DEVELOPMENT

That the draft International Development Association (Seventeenth Replenishment: Additional Payments) Order 2016, which was laid before this House on 6 July, be approved.

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

VALUE ADDED TAX

That the Value Added Tax (Place of Supply of Services: Exceptions Relating to Supplies Made to Relevant Business Person) Order 2016 (S.I., 2016, No. 726), dated 11 July 2016, a copy of which was laid before this House on 11 July, be approved.—(*Chris Heaton-Harris.*)

Question agreed to.

Faulty Tumble Dryers (Fire Risk)

Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris.)

6.38 pm

Andy Slaughter (Hammersmith) (Lab): I am grateful for the opportunity to talk about a serious issue that affects many millions of people. My own involvement arises from a tragic incident that occurred in my constituency only a few weeks ago. As we have a little more time than usual, I propose to explain briefly what that incident was, to talk about the evidence that emerged from it—which supports the course of action that I shall recommend to the Minister—and to ask the Minister a number of questions about the safety of tumble dryers. If there is time, I know that one or two of my colleagues who have rather more experience and expertise in this matter might wish to contribute, but I wish to leave enough time for the Minister to respond, not least because I was a little alarmed by her brief opportunity to respond to my question on this subject earlier today.

On the afternoon of 19 August, Debbie Defreitas, a constituent of mine, was in the kitchen of her home on the seventh floor of Shepherds Court, an 18-storey block of flats overlooking Shepherd's Bush Green. She became aware of a burning smell. Her Indesit tumble dryer was the only device that was switched on, so she unplugged it and pulled it away from the wall. When she opened the door, smoke came out. Debbie rang the fire brigade and retreated on to the landing. When firefighters arrived and entered the flat, the fire had taken hold. Thick smoke filled the building and flames arced upwards along the walls into other properties.

Over 100 families were evacuated, and 26 were found temporary accommodation in hotels that night. There is substantial damage both to individual flats and the block. Nine families, including the Defreitas, are still unable to return home. Twenty fire engines and 120 firefighters fought the blaze, which brought the centre of Shepherd's Bush to a halt.

I spent some hours at the scene on the evening of 19 August. I cannot praise highly enough the firefighters who risked their lives, and the residents who showed incredible spirit and resilience despite losing their homes and in some cases all their possessions. Council officers and local councillors Sue Fennimore and Adam Connell worked into the early hours to ensure people were fed, comforted and found decent places to stay.

What is most remarkable is that, apart from three minor injuries, no one was hurt in the blaze, though the trauma, especially for those who witnessed the worst of the fire, may well have a longer-term effect. But the circumstances are very similar to those of the Lakanel House fire in Southwark in 2009 in which six people died. That, or worse, could easily have happened in this instance.

We await the publication of the investigations into the Shepherds Court fire, but one thing is already clear: Mrs Defreitas was following to the letter the advice given to her by Whirlpool, Indesit's owners. Despite a fault affecting over 5 million dryers supplied by the company's brands, it continues to tell customers

"you may continue to use your tumble dryer whilst waiting for the modification, however, we require that you do not leave your dryer unattended during operation."

Whirlpool is not the only manufacturer trying to deal with defective dryers and other white goods that pose a fire risk. The London Fire Brigade estimates that there is one fire caused by white goods every day in London alone. The Local Government Association, which represents all fire authorities, says three fires a day are caused in England and Wales just by tumble dryers. Some cause minor damage, some are on the scale of Shepherds Court and some have resulted in deaths and serious injuries.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on bringing this important issue to the House for consideration. The components in the appliances are readily available across the whole of the United Kingdom of Great Britain and Northern Ireland. Does the hon. Gentleman agree that the system of recall at present is not sufficient to ensure safety and, further, that new legislation—I hope the Minister will respond on this—is a matter of public safety and is prioritised as such?

Andy Slaughter: I am grateful to the hon. Gentleman for that intervention and I know he has done a lot of work on this subject over a number of years. I do not know if he was present to hear the Minister's response to me earlier today, when she said that we have an effective system of product recall. I think the hon. Gentleman would disagree with that, as I do, and I will come on to that later.

The Government are not short of advice. Two years ago the inquest into the death of Santosh Benjamin, caused by a defective Beko fridge-freezer, called for a new system of product recall, as did the independent review of product recall under consumer champion Lynn Faulds Wood, which reported in February this year. The LFB's "Total Recalls" campaign, the Consumers Association and "Expect it's safe"—a campaign set up by solicitors Leigh Day, who represent many of the victims of white goods fires—have made similar demands.

I shall come back to what the Minister has said, and I want her to be aware—if she is not already—of the preponderance of opinion on this subject. I have mentioned the London Fire Brigade, but we could equally apply these views to other fire brigades around the country, which are represented by the Local Government Association. The London fire commissioner, Ron Dobson, has said:

"If my kitchen had one of the recalled goods in it, I would unplug it straight away until it has been checked and repaired. The speed with which the fire took hold shows how dangerous a faulty tumble dryer can be. That's why we are calling for Whirlpool to urgently change their advice to consumers."

Earlier today, I met representatives of *Which?*, whose very effective campaign has included the use of mystery shopping. This all shows just how appalling Whirlpool is in using these filibustering tactics.

Alberto Costa (South Leicestershire) (Con): I should like to declare an interest: I am a consumer of the said faulty tumble dryer, having bought one last year. The hon. Gentleman and I have already spoken briefly about this matter, but I should like to further inform him that I wrote to the managing director of Whirlpool UK, Maurizio Pettorino, in April this year. He took a month to respond, and his response was appalling. He did not answer the questions I had put to him. I wrote to him again on 23 May, but he has not responded to

[Alberto Costa]

my letter. Nor has he responded to my repeated telephone calls. A public affairs company called Ketchum is involved in this matter, but it is refusing to respond to my reasonable requests. Like many consumers, I filled out the online Whirlpool form and was told I would have to wait 10 weeks before being given a date. Those 10 weeks have come and gone, but I have not received a date. Does the hon. Gentleman agree that it is time that Maurizio Pettorino thought about resigning from his job?

Andy Slaughter: I will talk about that particular gentleman in a moment. I am grateful to the hon. Gentleman for giving the House his own experience. He illustrates my point that no one is immune to these tactics. This is a studied campaign by Whirlpool to ensure that it delays for weeks, months or even years before it carries out the repairs. It knows that there are millions of machines out there, but it is not prepared to provide the resources to deal with the problem. The hon. Gentleman will probably get a number and be told to ring back in a couple of months, at which time he might be told that he will get an appointment to get his dryer repaired several months after that. He will also be told that, in the meantime, he can continue to use it. That is very dangerous.

Patricia Gibson (North Ayrshire and Arran) (SNP): Does the hon. Gentleman agree that, given that we are talking about public safety, there is a clear responsibility to protect consumers? I have a constituent who has been told she will have to wait at least 16 months, and she is now about halfway through that wait. There is no apparent end in sight, and this is a real evasion of responsibility. We need the Government to provide much more protection for consumers when companies behave so irresponsibly.

Andy Slaughter: It is extraordinary for someone to be asked to wait 16 months when a machine that could catch fire at any moment is in their home, yet the manufacturer is saying that they can continue to use it provided they are at home at the time.

We have also heard from Electrical Safety First, a well respected charity, and the chief executive of the Chartered Trading Standards Institute, who was on the radio, on “You and Yours”, earlier this week has told people not to buy Whirlpool products. I know that the Minister was praying trading standards in aid earlier, but she should look at what the Chartered Trading Standards Institute is saying before she does so again. Many people who are far more expert than I am in this field are concerned about this.

I also want to mention the media. It is always nice to mention them when they are doing good things. The *Daily Mirror* has run a fantastic campaign and put this issue on its front page many times, and ITN has run an excellent campaign. However, this multinational corporation appears to be immune to all that, and to what many Members of Parliament have said about the issue.

I hope that my hon. Friend the Member for Swansea East (Carolyn Harris), who chairs the all-party parliamentary group on home electrical safety, will have a chance to contribute to the debate. My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), who has more than 20 years’ experience as a firefighter,

and I attended a meeting today of the all-party parliamentary fire safety and rescue group, chaired by the hon. Member for Southend West (Sir David Amess). The Chair of the Business, Innovation and Skills Committee has also raised the matter with Whirlpool. The problem is not that there are no well-informed people lobbying hard; it is that the corporation is not prepared to listen and that the Government do not seem prepared to make it listen.

Three things have shocked me. I appreciate that I am coming late to the issue, but my first point is about the scale of the Shepherd’s Bush fire. A senior fire officer said to me today that as he arrived at Shepherd’s Bush Green on 19 April and saw the flames running up the side of Shepherds Court from the 7th floor to the 11th floor, he thought that the London Fire Brigade would be dealing with multiple serious injuries and fatalities because of his experience at the Lakanal House fire.

I have tracked down 750 fires caused by Whirlpool dryers and by dryers from brands owned by Whirlpool between 2004 and 2015. We know about 127 models, but Whirlpool will not publish the full list. At least 5.3 million machines were manufactured and sold over the period. There have also been deaths. Two young men died in Wales, but I will not talk about that case in detail because it is subject to an inquest that has dragged on for two years.

Moving on to the second thing that shocked me—the hon. Member for South Leicestershire (Alberto Costa) will appreciate this—I wrote to and actually got quite a speedy response from Maurizio Pettorino, the chief executive of Whirlpool UK, asking what the company was going to do given the circumstances of the Shepherd’s Bush fire. Mrs Defreitas was in the same room as the dryer throughout and suspected that the dryer might be responsible even though there was no smoke at that time. She unplugged it and rang the fire brigade as soon as she could and then retreated from the flat, shutting the door. What more could she have been expected to do? I wrote to Mr Pettorino the week after the fire with those points. In what I think was a standard letter, he wrote back saying

“we are advising consumers that their tumble dryers can continue to be used while the repair programme is underway... We are also asking customers not to leave their dryers unattended during operation, either while asleep or out of the house.”

That is comforting. The flat was relatively small, but if someone has a large house, it appears from those instructions that the company would be perfectly happy for them to be on the second floor while the dryer is merrily catching fire in the kitchen. I simply do not understand how that can continue to be the advice. It is not right—I asked the Minister about this morning and I hope she has had time to reflect on it—that these dryers, with their known faults, continue to be in use even if someone in the house is awake and alert. We know from Mrs Defreitas’s experience that if a machine catches fire, there may be nothing that can prevent it from burning down not only the consumer’s property but neighbours’ properties, too.

The third thing that shocked me—I take no pleasure from saying this because I am trying to be consensual—is the Minister’s response. I wrote to the Secretary of State for Business, Energy and Industrial Strategy—I am glad he is in his place on the Front Bench—on 1 September

but have not yet received a response. I thought that I might get one today given that this debate was happening, but I am sure that I will in due course. I gave notice of the questions that I wanted answered and tried to adopt a consensual tone, but the response that I received at Question Time this morning was that there is

“an effective system of product recall”,

that a steering group has been established

“to consider the recommendations in Lynn Faulds Wood’s... review”,

and that

“a full risk assessment of the product that has been agreed with Peterborough... trading standards”.

I am sorry, but that is not good enough. The risk assessment has not been published and it is the practice of manufacturers not to publish such assessments. Why are the public and the people who are being advised to continue using these admittedly dangerous machines not able to see the risk assessment? I am afraid that the response has been anything but robust. I am totally sympathetic to local trading standards departments, which have had, on average, 50% of their budgets cut. There is no equality of arms between Peterborough City Council trading standards and the Whirlpool Corporation, a multinational, multi-million-pound organisation. In many cases, trading standards have neither the resources nor the powers to deal with situations such as this. If they felt that what recall process there is was not being satisfactorily dealt with, they could take Whirlpool to the magistrates court, and if they were successful—this would take a lot of time and effort—there might be a fine running into hundreds or possibly even a few thousand pounds, for a regulatory offence. I do not believe that is enough to motivate Whirlpool to change from its current policy of waiting 16 months before effecting a repair to one where it immediately says, “You have a dangerous machine that we have manufactured in your house. Do not use it. We will come to repair or replace it immediately.” Such a change is what I would like to see.

Mr Iain Wright (Hartlepool) (Lab): Customer safety is everything in business, as is the reputation of a corporation. Would my hon. Friend think about the contrast between how Whirlpool has dealt with this and the immediate recall, admittedly not in this country, by Samsung of the Galaxy Note 7? That recall will knock extraordinary amounts of value off Samsung’s balance sheet, but the company took the view that reputation is important and so is customer service. Hotpoint-Whirlpool has a responsibility to account for this publicly, because it is undermining its reputation and causing real problems with customers.

Andy Slaughter: My hon. Friend has hit the nail on the head; the two companies are adopting completely opposite strategies. No doubt they both have commercial motivations, but one has been benevolent and one has not. Samsung thinks, “Right, we will take the hit now, because we believe in the long-term reputation of our company.” Whirlpool is trying to go below the radar. There will have been many reports of these many hundreds of fires in local newspapers and, occasionally, in the national press, but there is not an understanding across the general population that millions of people may have these dryers in their homes and that they pose a risk. Many of these dryers are not even registered.

I wish to make just two more points, as I want a little time for not just the Minister, but other hon. Members to speak. The first goes back to the Lynn Faulds Wood review, which was an independent review set up and supported by government. The review reported, making a number of serious and well-thought-out recommendations about how a product recall system could work in this country. I am afraid to say that it has been dealt with in a very cynical fashion. Almost all the recommendations have either been ignored or pooh-poohed in some way. The only thing that has happened since it reported is that a steering group has been set up. All of us who watched “Yes Minister” will know that setting up a steering group is what you do when you do not want to do anything. This is a particularly ineffective steering group. It was given six months to meet, and they will end on 4 November. I do not know how many times it has met, because it has not published any reports or minutes. I do know the membership of it, so I know that it has more representatives of manufacturers and retailers than of safety experts, from the fire service and elsewhere. I know very little else about it, so perhaps one other thing the Minister can clarify today is: what is happening with the recommendations of Lynn Faulds Wood’s report? Will the Minister look at them again? That was a serious piece of work, so will she seriously think about whether a new system of product recall should be established in this country? In the meantime, will she tell us what this steering group is doing and what happens when it allegedly finishes its work on 4 November?

There are many, many defects in this. Most of my constituents, and most constituents of other Members, will be living in a world of false security, in that they will believe that in the UK in 2016 there is a system of product recall. They will not realise that in many cases manufacturers have no idea where their products go. Part of the reason for that is that there is no compulsory registration, and there is not even an incentive to register products when they are bought because usually in the process of registering a product people are also asked to sign up to all the marketing and other guff that comes out of that. Rather than being bothered and pestered to buy all sorts of warranties that they do not want, people will say, “No, I am not going to register this product.” Consequently, between 1 million and 2 million of the Whirlpool machines have just disappeared; we do not know where they are. Before we can do a product recall, we must know where the machines are.

7 pm

Motion lapsed (Standing Order No. 9(3))

Motion made, and Question proposed, That this House do now adjourn.—(Chris Heaton-Harris)

Andy Slaughter: I do not think that anybody, including Whirlpool, will deny that this is a serious fault. We know of one particular fault, which is the ignition of trapped fluff when these machines reach very high temperatures. There may be other faults as well, I do not know. There are certainly faults in other white goods. When a defect of that kind becomes apparent and when it is clear that it poses a risk to life, limb and property, trading standards, the manufacturer and, in the absence of their being able or willing to act, the Government must ensure that there is a proper product recall, that dangerous products are not used, and that those products are either repaired or replaced.

[Andy Slaughter]

I regard it as a bit of an obscenity that if a person does not want to wait 16 months to have their dryer repaired, they can buy a new one from Whirlpool. They get it at a discounted value, yes, and it is quite a low price, but why should they have to buy that new product? Why should they not be entitled to have it replaced immediately for nothing so that they can use the product not just successfully, but with security? [Interruption.] I heard the hon. Member for Strangford (Jim Shannon) say from a sedentary position that the replacement products are often no safer than the ones that have been taken away. I urge the Minister, who is relatively new to her post—I do not want to have a row with her—to go and have a look at these issues. I am sure that, like me, the hairs on the back of her neck will start standing up when she looks into them.

I do not wish to pillory only Whirlpool. I have mentioned other companies and the fact that this goes much further in relation to white goods and electrical safety generally. Let us tackle this immediate and known problem now and ensure that there are no more incidents such as the Shepherd's Bush fire, the consequences of which my constituents, my council and many other people will be dealing with for months and years to come. There have been no admissions, no offers of assistance, no compensation or payment and no expressions of real regret by Whirlpool. If that tumble dryer had not been in that flat, my constituents could have continued to enjoy the quiet of their homes. I regard this matter as totally unacceptable. It is corporate malpractice on a grand scale. I do not want the Minister to reply by saying, "Peterborough City Council trading standards can sort this out." I want her and her Secretary of State to take responsibility, and that is the message that I want to take back to my constituents tonight.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. May I remind hon. Members that it is the Adjournment debate of the hon. Member for Hammersmith (Andy Slaughter) and that the Minister would like 15 minutes to wind up, which would bring us to 7.15? With that in mind, if Members are brief, I will hopefully be able to bring them all in.

7.3 pm

Carolyn Harris (Swansea East) (Lab): I thank my hon. Friend the Member for Hammersmith (Andy Slaughter) for allowing me to speak, and congratulate him on securing this really important debate. He will be aware that I chair the all-party group on home electrical safety, and that we have been following this issue very closely. Members have raised the issue of tumble dryers both formally and informally.

I met the company, and was astounded by the responses that I received. Perhaps it is the domestic goddess in me that thinks that a white good that needs to be monitored while it is drying clothes is really not much of a convenience and that it would be far easier to put the clothes on the line. The attitude of the company was that that was acceptable. When I heard about the problem of my hon. Friend, I contacted him immediately, because the very thing that I had said to Whirlpool was, "This is an

accident that is waiting to happen." Unfortunately, that accident did happen. We can only be grateful that there were no fatalities.

I cannot understand—I expressed these concerns to Whirlpool—why it has not issued a total recall. I am totally confused by the answer that it is an adequate system; that it is replacing things slowly. No, it is not an adequate response; it is absolutely inadequate that these machines are in people's homes and they are potential death traps. They are fires waiting to happen.

Whirlpool informed me that the modifications to the affected model are likely to take until March 2017. Who is going to wait that long to have the use of a "convenience" that is inconvenient? I have written to the Chair of the Business, Innovation and Skills Committee—I urge my hon. Friend the Member for Hammersmith to do the same—to ask my hon. Friend the Member for Hartlepool (Mr Wright) to get the Committee to conduct an inquiry into this.

We also need a proper Government response. What is being done about the fire risk to people's homes? Why did the Government reject Lyn Faulds Wood's recommendations on product safety in a pitiful eight-page response? Some of the recommendations, such as a national product safety agency and mapping of organisations involved in recall issues, would have gone some way to protecting customers.

Having met Whirlpool, and having received responses from the Government, I am at a loss to believe that they actually think the current system is adequate. Something needs to be done as a matter of urgency.

7.6 pm

Alberto Costa (South Leicestershire) (Con): MPs do not name individuals lightly in this Chamber, and I carefully considered whether it was appropriate to name Maurizio Pettorino, the managing director of Whirlpool. As we have heard from hon. Members, the way in which Whirlpool has dealt with this matter is nothing short of disgraceful. I am a lawyer, and I have never come across a situation in the United Kingdom with a company as large as Whirlpool, with a product that has the potential for such a dangerous outcome in respect of fire, where a managing director has not responded to relevant consumer groups, and in my case to an MP. I have yet to hear back from Mr Pettorino further to my letter of 23 May.

The hon. Member for Hammersmith (Andy Slaughter) should be congratulated on securing tonight's debate. It gives us an opportunity to consider, as he put it, a matter that Whirlpool was clearly hoping would remain "under the radar". This is a matter of great importance. People are suffering; people have been injured. People, it has been alleged, have died as a result of these faulty tumble dryers.

The advice I have received, as the hon. Gentleman stated, is that I should use my tumble dryer only when I am present. Well, let us consider that for a moment. In my own household I have a night meter as well as a day meter, and the Government's policy is that the public should try and economise on energy consumption and reduce their energy bills. By Whirlpool's own advice, I am not meant to use that tumble dryer during the night, when it would be cheaper and more convenient for my family to do so, because it is a safety hazard to my family.

Patricia Gibson: I want to pick up on the important point that the hon. Gentleman made about the obvious health and safety risk. We heard from the hon. Member for Hammersmith (Andy Slaughter) that people's lives have actually been at risk. I am wondering, as I sit here listening, if we know that these machines are not safe, if someone was using one of these machines, even under their watchful gaze, and there was damage to their property as a result, what would their insurance company say? Would they be covered? Would the insurance company pay out to fix the damage?

Alberto Costa: That is a very interesting point, because I would imagine that the phrase "contributory negligence" would come in if there were a personal injury matter raised under those circumstances.

The hon. Member for Hammersmith is right: there should be a total recall of this type of equipment. It is clear to me that the senior management at Whirlpool are wholly out of their depth; they are unable to deal with this in a proper, efficient, commercial manner. They are just hoping that it will go away. Well, it's not going to go away, and it is right that we are discussing this in our national Parliament, so that Whirlpool hears clearly tonight—and I hope that the Minister is hearing clearly tonight and I look forward to her response—that Whirlpool must change its attitude in how it deals with these faulty products.

I am mindful of time and of the fact that other hon. Members want to speak. The hon. Member for North Ayrshire and Arran (Patricia Gibson) said that her constituent had been told that she would have to wait 16 months. As I said earlier, I have not received a response at all. I should add that my letter to the managing director was quite separate from my initial online form, which did not mention the fact that I am a Member of Parliament, so as an ordinary consumer I have still to hear from Whirlpool about what it intends to do about the faulty tumble dryer. The sooner the Government assist in this matter, the sooner the consumer will benefit. Whirlpool, a company that we want to see succeed, should take on board the important messages that hon. Members are sending tonight, which I hope the Government will confirm in their response this evening.

7.10 pm

Yvonne Fovargue (Makerfield) (Lab): I congratulate my hon. Friend the Member for Hammersmith (Andy Slaughter) on obtaining this debate. It is imperative that the Government take action to move Whirlpool now. It is also imperative that the Government look at the whole recall system. At present it is far too dependent on the consumer taking action and, as my hon. Friend said, the consumer registering. Even if they do register, how many people will remember, when they move house, to update their details and register the fact that they have taken their tumble dryer or their fridge freezer with them?

The system is far too oriented in favour of the manufacturer. That is why I fear that the steering group, whose members are preponderantly manufacturers, will not come up with a consumer-focused response to the report. It is vital that the UK consumer product recall report by Lynn Faulds Wood that came out in February 2016 is taken forward. There needs to be a trusted website on

which people can see recalls. People who buy from eBay and Amazon are more and more inclined to look at the eBay and Amazon websites. There should be notes there on products that are recalled, alerting people who bought or are thinking of buying the same product.

There needs to be joined-up work, which is lacking at present. Trading standards officers should be given more support, and there needs to be more joined-up work between trading standards, manufacturers and consumers so that we all work together for the same aim—to make sure that a product that a consumer buys is safe. If by any chance a product is found not to be safe—we need more research into safety—trading standards, manufacturers and consumers should know that as soon as possible, by any means possible. Let us remember that many people who buy products from firms such as BrightHouse are not online.

7.12 pm

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): This debate has been very illuminating for me. I am sorry that the hon. Member for Hammersmith (Andy Slaughter) was alarmed by my response earlier at BEIS questions. I congratulate him on obtaining this important debate. If that is how he speaks as a newcomer to a subject, goodness knows what he is like when he is focused on a subject on which he is an acknowledged expert. Listening to his speech, I learned a great deal.

I thank other hon. Members for their contributions. The hon. Member for Swansea East (Carolyn Harris), chair of the all-party parliamentary group on home electrical safety, made the point clearly that safety is paramount. Her view is that the system is not delivering. I was struck by the remarks of my hon. Friend the Member for South Leicestershire (Alberto Costa), who is justifiably outraged that his letters to the chief executive of Whirlpool have met with no response, which is at odds with my own experience. I seem to have obtained a letter from Mr Pettorino unsolicited. I propose to share some of that letter with the House so that hon. Members can take a view as to the veracity of its contents, which I found reassuring. I asked one of my officials to contact the relevant authority—Peterborough trading standards—to check the contents of the letter, and I was reassured that they felt it was a true and fair picture.

I should first, of course, mention that I was very shocked to hear about the terrible fire in Shepherd's Bush and the fate of Debbie Defreitas, without whose prescient action the situation could have been a lot, lot worse. I read the fire officer's report to the effect that the fire occurred at about half-past four in the afternoon. Had it occurred in the middle of the night, he feels certain that there would have been fatalities. There is no doubt that it was a very serious incident, and I send my sympathy to the constituents of the hon. Member for Hammersmith—particularly those who have not even been able to return to their homes.

Although the number of tumble dryers in use continues to rise, the number of fires resulting from their use has remained constant. I did quote some figures at BEIS questions earlier today. Although we have heard terrible reports this evening, I really should put it on record again that, of the five Whirlpool products that are mainly sold in Britain, 5 million were sold over the course of a year. There were 750 fire incidents, most of

[Margot James]

which were contained within the machine. That represents 0.02% of all the sales of each individual product. That is a very small percentage, but I accept that 750 fires is a high number, even though most of them were contained within the machine.

Jim Shannon: Another example—not to do with white goods—is cars where there is a safety issue. The manufacturer recalls every one of the cars—every one of the models—irrespective of how many there has been a problem with. With respect to the Minister, the firm should be recalling every one of these models, not just a small percentage.

Margot James: The hon. Gentleman is quite right that there are circumstances where a fault identified in a car would result in a complete product recall; indeed, there are circumstances that would lead to a complete product recall of white goods as well. It does depend on the nature of the fault in the car, as it does depend on the risk assessment with the white goods.

Kevin Foster (Torbay) (Con): Will the Minister give way?

Margot James: I will give way once more, and then I really must conclude my remarks.

Kevin Foster: Would the Minister agree that one of the big issues is that, even where there is a recall, the average success rate in the UK is 10% to 20%? Despite websites like the one run by the Electrical Safety Council through its Electrical Safety First charity, if there is only a 10% to 20% success rate, we are, even with a recall, still going to have many products out there.

Margot James: I thank my hon. Friend for that very helpful intervention. I did speak to the Hertfordshire trading standards authority about another firm's tumble dryer in August. It pointed out that total product recalls are never total, and my hon. Friend quoted the statistic. One can be lulled into a false sense of security by a total product recall, which is in fact, using the statistics my hon. Friend quoted, getting back only one in four goods—just a quarter. It is not easy to reach enough of the population who may have purchased one of these machines.

I am going to come on to the work that is being done following the Lynn Faulds Wood report, which was mentioned very helpfully by the hon. Member for Makerfield (Yvonne Fovargue). In response to the question from the hon. Member for Hammersmith, the steering group has met twice. It is industry-led, but it also has representation from the Chief Fire Officers Association. The group works closely with officials from my Department who provide a secretariat function. It is primarily focusing on three work strands: establishing a centre of excellence, or official website, for business and the public, very much along the lines that the hon. Member for Makerfield called for; considering how to ensure that we have more reliable, detailed guidance on product recalls, which would, I hope, improve the rate of recall from its current one in four success rate; and establishing a mapping process whereby all organisations involved in product recalls can have access to better data and information sharing.

There will be regular updates on the work of the group, including progress on the new website. Hon. Members will be able to see that information posted on gov.uk very shortly. As a result of this debate and what I have read in the press prior to coming here this evening, I have asked my officials to arrange for me to meet the chair of the steering group and the member from the Chief Fire Officers Association. Although they have set themselves a timeline of reporting within two years, I will be asking them at least to produce an interim report, in a much shorter timeframe, with measures that the Government can then consider implementing without further delay.

I will say a little word about Peterborough Council's trading standards. I accept that there can be an issue, in that we have very good, well-qualified expert people working for a relatively small organisation in Peterborough dealing with a large multinational company. However, trading standards in this country is respected around the world, so I would not want to dismiss its expertise for one minute. It has been the lead regulator for Whirlpool and has agreed the full risk assessment carried out by the company.

Alberto Costa: I would not wish to cast any aspersions on trading standards. I am sure that the Minister is as familiar as I am with washing one's clothes and placing them in a tumble dryer. Is it safe to put clothes in a tumble dryer only if one is present while they are drying, as we have been told? If she agrees that it is not practicable with today's lifestyles to stand looking at one's tumble dryer, then surely she will agree that the product is not safe and that she should therefore communicate again with trading standards on a more appropriate response to this matter.

Margot James: I have been in contact with trading standards, and to date I have been satisfied with its approach. The advice and guidance through the process of modification that Whirlpool is implementing whereby one has to attend the tumble dryer while it is carrying out its operation is certainly inconvenient—I would be the first to admit that. If one has dual meters so that machines can be put on overnight, that does not help with energy conservation. However, I am not yet persuaded that the product is necessarily unsafe, because the very few fires overall in terms of the 5 million machines that have been sold have mostly been contained within the machine. On being present, bearing in mind what trading standards believes to be a very low risk, I think that the advice is reasonable given that a total product recall is unlikely to get back more than one in four machines.

Andy Slaughter *rose*—

Margot James: As it is the hon. Gentleman's debate, I will give way one last time.

Andy Slaughter: I am grateful to the Minister for giving way, but she has not dealt with the point that I emphasised in my speech. In the Shepherd's Bush case, which nobody says was anything other than one of the most serious fires, the machine was observed. I think she will be aware that in Australia, where the machines have exactly the same fault, the advice is that customers should cease using the product immediately. The solution to one in four being recalled is to improve the registration system, and the solution to knowing what is in Whirlpool's mind is for it to publish its risk assessment. Those are the questions that need to be answered.

Margot James: I thank the hon. Gentleman for clarifying one of those points. I will most certainly raise what he has said with the chairman of the steering group and the fire officer when I meet them.

I want to share with the House the key points made to me by the chief executive of Whirlpool. Following its acquisition of Indesit in 2014, its global safety experts worked to review the product portfolio, proactively engaged with trading standards, shared with it all relevant information available and sought its determination on what action to take. Trading standards subsequently determined that corrective action was required and that a modification programme was necessary to resolve the issue. Since then, Whirlpool has been in continual dialogue with the trading standards authority. Alongside a widespread safety alert and information campaign, including adverts in the national press, it rapidly engaged with customers and set up a dedicated phone line and websites and an online model-checker for consumers to instantly find out whether they had an affected appliance. It is continuing its efforts to identify all owners of the affected models and to contact them directly by all of the usual means. In addition to direct consumer outreach, it has continued to work with retail and trade partners to identify the machines involved and to communicate with owners.

Alberto Costa: But it ignores MPs.

Margot James: In reading this out, I am acutely conscious that my hon. Friend has not received a reply to his letter. Whirlpool engineers are visiting more than

4,000 homes a day across the UK and, as of today, it has resolved more than 805,000 customer cases. I am assured by Peterborough trading standards that that is true and, although the mood in the Chamber tonight is hostile to Whirlpool, that is quite a creditable performance and not to be lightly dismissed. It is continually looking into additional ways to improve the efficiency of the programme, and I am sure that tonight's debate will have illuminated a few of those additional ways. It is increasing the number of engineers all the time—it has increased its team of engineers by more than 45%.

It is true to say that Whirlpool, for all its faults in communicating with my hon. Friend, is making a concerted effort to deal with the safety of these appliances. I accept from everything that has been said in this debate that we need rapidly to get on top of the issue. I will, as I have promised the hon. Member for Hammersmith, meet the relevant people, talk specifically to representatives of Peterborough trading standards, and convey to them the mood of the House and the concerns of hon. Members. Although statistically the risk of the 5 million machines that have been sold may be very low, people have been killed by them. As the Minister with responsibility for consumer rights, that is obviously something that I will take extremely seriously. In conclusion, I thank the hon. Gentleman again for this timely debate.

Question put and agreed to.

7.29 pm

House adjourned.

Westminster Hall

Tuesday 13 September 2016

[JOAN RYAN *in the Chair*]

BACKBENCH BUSINESS

Victims of Libyan-sponsored IRA Terrorism: Compensation

9.30 am

James Cartlidge (South Suffolk) (Con): I beg to move,

That this House has considered compensation for victims of Libyan-sponsored IRA terrorism.

It is a pleasure to serve under your chairmanship, Ms Ryan. It is a great honour to bring forward this important debate on long-overdue compensation for UK victims of Libyan-sponsored IRA terrorism.

To set the scene of why this is such a critical and important debate, I first want to make a hypothetical case. Imagine if, in the coming weeks, the media were to report that there was strong evidence of the involvement of a sovereign state in the recent outrages in France. Imagine if we were to read that there was firm evidence that another country—not just the so-called Islamic State—had trained the lorry driver for the attack in Nice or had supplied the Kalashnikovs and the bombs for the attack on the Bataclan. There would be international outrage. Although that is hypothetical, the victims and their families in this case have had to live with such a reality for many years: throughout decades of IRA terrorism and murdering of people in this country, the weapons and explosives used were willingly and knowingly supplied by the regime of Colonel Gaddafi in Libya.

Two key and timeless principles are at stake here. The most obvious is justice. Quite simply, we wish to obtain compensation for the victims of this terrorism as a way for them to get accountability from Libya, and for Libya finally to pay for its role in those actions.

The other principle is fairness. For me, the most extraordinary fact of this whole issue is that compensation has been paid, but to citizens of countries other than the one where the murders were committed. Of course, this is a long-running campaign. These outrages happened many years ago and the victims and their families have been waiting many years for justice. It is no surprise that, in that time, many of the arguments have been made time and again, but I happen to think there is good reason to look at the issue that I am discussing again.

Before doing so, I pay tribute to the work of the Select Committee on Northern Ireland Affairs, which is chaired by my hon. Friend the Member for Tewkesbury (Mr Robertson), and which has an ongoing investigation into the matter. I pay tribute to the debate about the docklands bomb called by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), who is my friend, which I attended and at which he argued most passionately. I also pay tribute to the Bill to do with asset freezing currently going through the other place, which was brought by Lord Empey.

There is a lot going on and there have been many debates, but there are three key reasons why we should be looking at this issue again today. First and foremost,

it is to seek an important update from my hon. Friend the Minister about what is happening in Libya. When he appeared before the Committee chaired by my hon. Friend the Member for Tewkesbury, he spoke of the fact that the Libyan Deputy Prime Minister will be setting up a new committee to look at the issue. It will be interesting to hear whether there have been any developments. We are hopeful but, of course, realistic and aware of the difficult situation that pertains in Libya at the moment with the civil war and so on.

Secondly, under the chairmanship of my hon. Friend the Member for Romford (Andrew Rosindell), we parliamentarians have formed a campaign group to represent victims and their families. Many of its members are here today, including myself, and I am delighted to see them. We will continue to fight for justice for those victims, whatever happens and whatever the Government do.

Thirdly, the most important and timely point is that on Friday the House of Representatives in America voted unanimously, as did the Senate in May, to pass into law a Bill known as JASTA—the Justice Against Sponsors of Terrorism Act; it will empower private citizens of the United States to sue those involved in state-sponsored terrorism. In my view, the fact that that was passed unanimously in Congress throws open the whole issue of state-sponsored terrorism and its relation to individuals and their ability to seek redress through the courts and likewise.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this timely debate. He is alluding to the recent American experience. Does he agree with me that, although there is a fundamental issue of restitution and compensation, alongside that is an issue of sending an international message to nation states across the globe that there is no escape from their responsibilities if, at any stage in the past, present or future, they finance international terrorism? That is the message that needs to come across from the debate.

James Cartlidge: I strongly agree. The point we are trying to put across is that the past catches up with those who perpetrate these vile acts. I am told by the Minister that the President of the United States has vetoed that Bill. It remains to be seen what will happen because, as I understand it, Hilary Clinton has pledged to support it. It seems hard to believe that the Bill is going to go away quietly, given that the biggest act of terrorism in the history of the west and the biggest attack on US sovereign territory since, I believe, Pearl Harbour, is involved.

After all, it must be remembered that cases against Saudi Arabia have been ongoing for years. The whole point of the Bill was to enable those litigants to overcome the issue of immunity. I personally think the Bill will come back and that we need to be cognisant of that. The hon. Gentleman's important point was well made and I think it encapsulates that, when states support terror, justice eventually catches up with them. We are here to ensure that that is the case.

It will be helpful if I explain my personal involvement with this issue. I was elected last May as the Member of Parliament for South Suffolk, and that summer I met one of my constituents, Charles Arbuthnot, who is a campaigner on this cause and whose sister, as a 22-year-old

[James Cartlidge]

WPC serving her country on the frontline early in her career, was murdered in the Harrods bomb attack with explosives supplied by Libya. He is one of the key campaigners.

In the months afterwards, Charles and I exchanged letters, and I wrote to the Minister many times about the subject to probe a key point. I had been surprised, being new to the subject, unlike many hon. Members here, to hear from the Minister that a US citizen who had been caught up in the same bombing that had so brutally slain my constituent's sister had been compensated. To me that was quite extraordinary.

I wrote to my hon. Friend the Minister and we had a long exchange of letters about it. I was shocked to discover, when looking back over all the debates on the subject, that the assumption, including by many hon. Members sitting here, was that the Government were aware of that compensation—it was a given—but that there was never any formal recognition of the fact that it had been paid out. I should say that my hon. Friend cares strongly about this issue, has served in Northern Ireland and will do all he can to help; there may be, shall we say, institutional issues at stake, in terms of the Department and successive Governments.

Finally, in March this year, I received a letter from my hon. Friend the Minister in which he referred to the deal made between the US and Libya, saying:

“Whilst the Commission did award compensation to a victim of the Harrods bomb, it is not possible to determine who the recipient was.”

He then went on to talk about whether that sets a precedent, which I think is absolutely key to this. He said:

“In future engagement with the Libyan Government, it may help us to mention that Libyan money has already been used to compensate victims of Qadhafi-inspired IRA terrorism. On the other hand, the Libyans may claim that Qadhafi made the decision to make payments to the US and that the decision to include US victims of the Harrods bombing within these payments was a US and not a Libyan one. They may therefore argue that this does not set a precedent for any future payments for victims of Qadhafi-inspired terrorism.”

My view is that it absolutely sets a precedent. Quite simply, money was paid to the victims—that is the bottom line. That is what our victims are seeking, because they want their redress and their justice, just as the Americans have received.

Lady Hermon (North Down) (Ind): I commend the hon. Gentleman for bringing forward this very important debate. Bearing in mind that the coalition Government took over in 2010, headed by the then Prime Minister the right hon. Member for Witney (Mr Cameron), does the hon. Gentleman share my disappointment, to put it lightly, that the British Government have not espoused the claims of the individual victims of Libyan-sponsored IRA violence? Instead they have insisted that individual victims should make their own individual claims. That is quite impossible for them. The simple solution is for the Government to do the right thing and to espouse their claims.

James Cartlidge: I believe that my hon. Friend the Member for Tewkesbury, the Chairman of the Northern Ireland Affairs Committee, will be looking in detail at

the issue of espousal shortly. If we go through all the documentation over the years, it is striking how there was a distinct change in tone around 2010. Let us be quite open about it—until then, the Government were proactive; they wanted to help and wanted to fight for justice. After that time, we kept getting the same line: “This is a private matter, but we will facilitate.” That has been the line ever since, and it has almost never changed. Even if we took that as the Government position, more can be done, but I will come on to that.

In terms of the precedent, if no money had ever been paid to anybody, there would still be a campaign, but I dare say it would be slightly easier for those campaigning to live with that and swallow it. If the money had been paid to a country such as Russia that had some deal with Libya, we might not be so surprised. However, the fact that money was paid to a citizen of the United States—our closest ally, with whom we stood shoulder to shoulder in the fight against terrorism—and that they hatched a deal in which they got paid off and our citizens, murdered in their own country, got nothing, remains a disgrace and a shame to this day. That is why we fight on this issue and why I will continue to do so.

Sir Gerald Howarth (Aldershot) (Con): As my hon. Friend knows, I represent Aldershot, and we were the victims of a response to what happened in Londonderry on 30 January 1972. IRA terrorism burns deeply in the resentment in Aldershot. He talks about people receiving nothing, but some people were compensated. I had a chat with our noble Friend Lord Tebbit, whom everybody knows suffered horrendously; his wife suffered even more horrendously than he did. He has been compensated, but the level of compensation was very pitiful indeed. It is a question not simply of those who have received none, but of those who have received some compensation being adequately compensated. I wholly support what my hon. Friend is doing.

James Cartlidge: It is a pleasure to receive an intervention from my hon. Friend. I agree with him, of course. I am not sure whether the money in that case came from Libya or from a state sponsor, so I honestly cannot comment on that point. Obviously, we want to see all victims compensated, not only in terms of accountability and the balancing of the scales, but because they will have injuries and so on and will need to use that money to support the quality of life to which they frankly are entitled.

I mentioned the actions of the United States. Despite the news in respect of the President, it is important to read the purpose of JASTA, which was passed unanimously:

“The purpose of this Act is to provide civil litigants with the broadest possible basis, consistent with the Constitution of the United States, to seek relief against persons, entities, and foreign countries, wherever acting and wherever they may be found, that have provided material support, directly or indirectly, to foreign organizations or persons that engage in terrorist activities against the United States.”

The phrase “broadest possible basis” is incredibly powerful. I am not talking about the Minister individually, because I know he feels strongly about this issue, but many hon. Members here will think that at times, it has been the narrowest possible basis for the Government here, with them looking not at what we can do but at the reasons why we cannot do the things that campaigners are pressing for.

Mr Nigel Dodds (Belfast North) (DUP): I congratulate the hon. Gentleman on securing this important debate. I thank him and the people involved in the current campaign here in Westminster. I want to put on the record my thanks to Lord Brennan, who previously was involved heavily in this issue, including in the delegation we took to Libya; and to Andrew Mackinlay, who was active as a former Member of this place and continues to be heavily involved as a private citizen. Many people have been involved in this campaign.

It is important that we continue to press our own Government, as the hon. Gentleman says. He reflected on what would happen if a Government had sponsored current acts of terrorism—there would be outrage—but what if a Government were found to be colluding in denying citizens proper compensation and justice? He has our full support in ensuring compensation and justice for the victims of this terrible period in our history.

Joan Ryan (in the Chair): Without singling anybody out, I should say that all the interventions have been quite lengthy. Interventions need to be short and to the point.

James Cartlidge: Thank you, Ms Ryan. I am coming to my concluding point of substance. I share the sentiments just expressed about all the efforts up until now. I am well aware, as a new MP, that much water has passed under the bridge.

The point in respect of the United States Congress is their proactivity in really supporting their victims. In January 2008, the US Congress passed the annual National Defence Authorization Act, which is the omnibus Bill through which it funds its military commitments every year. In 2008, special provisions were added, allowing victims of state-sponsored terrorism to collect court judgments from terrorism-sponsoring states by seizing their assets. When that happened, Gaddafi immediately realised he was looking at a fairly substantial bill of several billion pounds, which led to the settlement that capped the liability. From that amount, the money was paid out that eventually led to compensation for the victim in Harrods to whom I referred.

It is incredibly important to reflect on the fact that the measures taken in America are not gesture politics; they lead to real action. In fact, JASTA was passed precisely because those civil litigants were running up against a brick wall of immunity, and Congress passed the Bill to help them go further. I am not commenting on whether Saudi Arabia has any implication at all. It is the principled point of proactive support.

The Government can do more. The key channel here is communication with Libya and trying to reach a deal, which I fully support and understand. In the Northern Ireland Affairs Committee, the hon. Member for Belfast East (Gavin Robinson) talked about aid. We have a huge aid budget in this country. We are going to be spending a lot of money on aid in Libya, as I understand it.

Conditionality was also discussed in that Committee. Although I am not suggesting we should involve that now, if we see no progress, that may be something we can look at. We have the power to influence transparency. I would like to ask the Minister whether there is any way we can have clearer communication, particularly for the victims—for example, a dedicated section on the

Foreign and Commonwealth Office website periodically informing us what is happening with the committee out in Libya and in this dialogue.

We do not expect dramatic things immediately, though we hope for them. We are aware of the reality of the position in Libya. I simply make the point that a contrast is now apparent to us, particularly given what happened in America on Friday, when it comes to the approaches of two supposed allies in the war on terror.

I conclude with a quote from Senator Chuck Schumer of New York in May, during the passage of JASTA. He said:

“The fact that some foreign governments may have aided and abetted terrorism is infuriating to the families if justice is not done. That is what they seek—justice, justice, justice.”

I would add that if families in other countries get justice and ours do not, ours also want fairness, fairness, fairness.

Several hon. Members *rose*—

Joan Ryan (in the Chair): Order. If Members on the Back Benches take about four minutes, everybody will get in, but it is very tight. I will not impose a time limit at the moment, but I may do later.

9.48 am

Gavin Robinson (Belfast East) (DUP): It is a great privilege to have the opportunity to participate in this debate and to follow what was not only a strong contribution but a very meaningful one. Those of us from Northern Ireland who listened to the hon. Member for South Suffolk (James Cartlidge) appreciate the support that this campaign is gaining across each major party and each major part of this country. Every victim, be they from Northern Ireland or the rest of the United Kingdom, appreciates the support and attendance of hon. Members from parties throughout this House today, as well as the support of those such as Andrew Mackinlay who have served this campaign and continue to serve it so well.

This is about fairness, about transparency and about justice. It is easy to read in the Order Paper that this is a debate about compensation for victims of IRA terrorism and believe it is a Northern Ireland issue only. Today, all hon. Members who have attended are putting an end to that view.

David Simpson (Upper Bann) (DUP): I am sure my hon. Friend agrees that the word “justice” has become almost an insult to IRA victims, because many of them will never see justice. This is one way in which they can be compensated for the loss of loved ones, but Libya has dragged it out for far too long.

Gavin Robinson: I agree entirely with my hon. Friend.

I recognise that the problem is not solely in Northern Ireland. The hon. Member for Aldershot (Sir Gerald Howarth) referred to the 1972 bombing in Manchester and there were others in Brighton, Warrington, Harrods, Hyde Park, Chelsea barracks and Canary Wharf, and many more atrocities at the hands of the IRA, supported by Colonel Gaddafi and the Libyan regime.

Since I was elected last May, I have spent a lot of time engaging with the Minister through the Northern Ireland Affairs Committee, in bilateral meetings and in supporting

[Gavin Robinson]

the private Member's Bill in the other place. From a rocky start in those discussions, the Minister is showing a personal desire, willingness and commitment to see this through. There is a real opportunity to deliver for the victims in this country.

Aid has been mentioned. I have said privately and publicly that it is unconscionable for me as a representative in this country to give aid, to help with reconstruction, to try to build lives and to provide a positive future for people's lives in Libya, as we should, and not to recognise that people are languishing in this country, looking for support from their Government—a Government who are here to serve, a Government who are here to protect and a Government who are here to defend the interests of people of this country. I hope that we support the Libyan people as best we can and encourage that, but doing so provides a unique opportunity to make sure Libya recognises that there are still many brave people in this country, either sitting behind me today or watching at home, who need the support of a caring and compassionate Government.

We cannot continue to talk about these issues in the abstract. They are not only a vagary of our past; they are here with us today. Not so long ago—within the last six months—the victims of the Hyde Park bombing applied to this country's Legal Aid Agency for support in their quest for a civil claim against the perpetrators of that bombing. They were turned down because they did not meet the criteria.

One reason why they did not meet the criteria was a fear that pursuing the quest of civil justice in British courts for British victims would be a threat to the peace process of Northern Ireland. What nonsense. I know the Minister will be able to respond to that point, but it is an indication of how victims in this country look to our Government for an appropriate response. There are many perpetrators of violence against the state who run to the courts, who receive support and who continue to claim they need further compensation, transparency or justice from the state—perpetrators of violence against the state and our citizens. If we can stand up for them—it sticks in our craw—it is incumbent on us to stand up for the victims of Libyan-sponsored IRA violence.

I want to focus on one case in my constituency. In March this year, a constituent, Adrian Ismay, was blown up by a bomb planted by the New IRA. It contained Semtex which, as there have been no recent purchases, is presumed to be of the same origin and extraction as that sourced from the Czech Republic through Libya to the IRA and disseminated through its splinter organisations. This year, a citizen of this country—a serving prison officer who believed in his community and served not only as a prison officer but in the search and rescue service—was blown up by Semtex with origins in Libya.

The chief suspect is walking the streets of Belfast on bail. Having breached his bail on three occasions and been returned to court, he is still walking the streets today. At the weekend, I received information that Police Service of Northern Ireland chiefs sent an email to their officers telling them not to conduct bail checks because they were generating too many complaints from his solicitor and offending his sensitivities—offending

the sensitivities of a man who is alleged to be the murderer of my constituent in March. The police are concerned about his sensitivities.

I am conscious of time, Ms Ryan, but this debate gives the Minister a further opportunity to respond, whether to the victims of Hyde Park, to the victim Adrian Ismay and his family, or to the victims behind me and the countless victims throughout this country who have looked to the Government for an appropriate response. Today, Minister, is the time to give it.

9.55 am

Mr Laurence Robertson (Tewkesbury) (Con): It is a pleasure to serve under your chairmanship, Ms Ryan. I congratulate my hon. Friend the Member for South Suffolk (James Cartlidge) on taking an interest and having the motivation to introduce this debate and on the excellent way in which he presented his case. He spoke about fairness being the priority and the overriding concern of many hon. Members.

I thank the Minister for appearing before the Select Committee on two occasions to bring us up to date. He is obviously very engaged in this matter. I know that he not only sympathises with the victims and their relatives, but empathises with them. When he appeared before the Committee he demonstrated that he cares about the issue, and I thank him very much for that.

When we discuss the importance of this debate, we receive a lot of evidence from victims and their families, both orally and in writing. If anyone doubts the pain that has been caused to people in this country by Libyan-sponsored terrorism, they need only read, for example, the evidence submitted by Mr Colin Parry, who, following the attack in Warrington, had to make the heart-wrenching and unbelievably difficult decision to turn off his child's life support machine. I will not read through all the evidence he submitted, but I urge hon. Members to read it on the website. It describes why we are all so concerned about what happened. We cannot bring those people back, of course, but we can try to recognise the pain of their loved ones—that is the first step—and then try to bring about some compensation for them or their communities.

We have received evidence from Tony Blair and Gordon Brown. Tony Blair said he did not raise the issue and it was not raised with him. Gordon Brown set up the reconciliation unit, which tried to move things on. We have two problems, as the Minister told the Select Committee. He talked about the difficulty of dealing with the Libyan Government when they are not a stable Government. Perhaps he will bring the Chamber up to date with the position there now and tell us whether he believes it can be moved on, now that things have moved on a little in Libya.

There is also the question of frozen assets, which the Select Committee discussed. I understand that something like £8 billion or £9 billion of frozen assets sourced from Libya are held in the United Kingdom. I do not know whether the result of the vote that the country rightly made on 23 June will change any aspect of that. The Committee has been told that those assets cannot be touched. I do not know whether Brexit, when it comes about, will challenge that decision, but perhaps the Minister will bring us up to date on that.

My hon. Friend the Member for Aldershot (Sir Gerald Howarth) said that some people have received some compensation, but very little. Presumably that was through the statutory compensation scheme, which was set up for such victims, but as my hon. Friend the Member for South Suffolk pointed out, it is uncertain—and, I think, doubtful—whether that money came from Libya. That is where the money should come from, because we hear of a foreign state that was not only encouraging, but physically supplying a terrorist organisation in this country to kill our own citizens. If Libya wants to become a serious constitutional country in the future and leave its pariah status behind, it must pay compensation for the people they have murdered in this country.

We need to move this situation on. It has been going on for a long time, as we all know. The victims and relatives are getting older; some will have died. I know that the situation is difficult and that diplomatically it might be difficult because we are trying to encourage Libya to move on, but it cannot move on without first clearing up the past. I therefore ask the Minister to continue to do everything that he is doing and possibly try to push our Government that little bit further to bring about, first, recognition of the pain and, secondly, the compensation that our British citizens are due.

10 am

Ian Paisley (North Antrim) (DUP): It is an honour to serve under your chairmanship, Ms Ryan. I commend the hon. Member for South Suffolk (James Cartledge) for bringing this matter to the House. It is good that when fresh eyes come to look at a subject, they see the same injustice that other people who have looked at it before see. That encourages us, and the hon. Gentleman has certainly encouraged Members in the House today. His words will serve as a real fillip to the people of Northern Ireland and to the victims across the whole of the United Kingdom.

It is encouraging that as more and more people look at this situation, they see the inequitable treatment and injustice and they want to see fairness meted out to the victims. I also add my words of support for those who have for many years demonstrated steadfastness in their support for this case. Some are in the Public Gallery; my right hon. Friend the Member for Belfast North (Mr Dodds) has already been mentioned; and there are many others who, year in and decade out, have supported this case and worked very hard.

The hon. Member for Tewkesbury (Mr Robertson), who has rightly introduced this matter to the Northern Ireland Affairs Committee, has said that there are difficulties in dealing with the Libyan Government. There certainly are, but let me also place it on the record that there have been difficulties in dealing with successive Governments of Her Majesty.

I do not know, Ms Ryan, whether you have ever tried to fish eels from a bucket of water, but it is an incredibly difficult task. Trying to get one's hands on some people in the FCO and on the Government—successive Governments—to get them to give a straight answer to many of the questions that victims have genuinely put on the table is like putting one's hand into that bucket and trying to catch a slippery eel; it is practically impossible to get straight answers. I think that today's debate starts to get us to the right point. Victims have

waited long enough for answers. They are sick and tired of the dilly-dallying and delays. Many of them are coming to, let us face it, the latter years of their lives and they need answers before they pass the immortal tide. We need to face up to that, and pretty darn fast.

There have been several efforts to address some of these issues, but I want to put two matters to the Minister and I hope that in his summing-up he will address them. First, I hope that he agrees with me that life-changing injuries require life-changing levels of compensation—not the paltry sums mentioned by the hon. Member for Aldershot (Sir Gerald Howarth), but compensation that really addresses, for the generation of people injured, their needs, the impact that terror has had on them, their loss and their sense of loss.

Secondly, I want the Minister to talk about how we get compensation paid. I must commend him. He has been incredibly diligent. He reports regularly, privately and publicly, to Members of Parliament. He comes to the Select Committee and he has indicated to us the numerous conversations and efforts that are taking place with the new Government of national unity in Libya. I thank him for that, but there comes a point when we are told, “Look, we have to wait for this Government to be established and then we will put to them—we believe that they will be very compliant—the subject of compensation. At that point, compensation can more than likely be taken from the seized assets that are currently held by the Government here.” I can see why anyone who works in the City would oppose taking the assets and spending them in advance of that Government being established—because it would damage the City and the reputation of banking here. I understand all the reasons. It does not sound logical to a victim, but I understand the points that have been made. Therefore, I want to turn the subject round and present to the Minister a solution that I hope he will pick up and run with, or introduce as a Government amendment to the legislation.

My proposal is that the Government pay the victims in lieu, from British money. Given that they are confident that one day they will get an agreement with the new Government of national unity in Libya, when the agreement is in place they will take that money back. That will allow us to expedite compensation to resolve this matter, allow the victims to move on, allow us to put this situation, thankfully, behind us once and for all. It will also allow the Government to concentrate on helping to set up the new Government in Libya. On that basis, the Government will have solved the issue. They will not be spending the seized assets, but they will be recognising that one day those seized assets will be spent on the victims. I hope that the Minister will consider that and bring it forward.

Finally, I will put this on the table. For decades during our peace process, we were told, “Take a risk for peace.” I am saying to the Minister, “Your Government need to take that risk for peace now.”

10.6 am

Andrew Rosindell (Romford) (Con): It is a pleasure to serve under your chairmanship, Ms Ryan. I commend my hon. Friend the Member for South Suffolk (James Cartledge) for bringing this matter to the Floor of the House and for the extremely valuable contributions that

[*Andrew Rosindell*]

he has made to the parliamentary support group for United Kingdom victims of Libyan/IRA terrorism. I thank all hon. Members for their support for this very important and worthwhile cause.

I would like to refer directly to the debate earlier this year initiated by the hon. Member for Poplar and Limehouse (Jim Fitzpatrick), in whose constituency the docklands bombing took place in 1996, and to some of the answers given by the Minister who replied to that debate, in the hope that the Minister today will consider different responses to the issue. The Minister in that debate, my hon. Friend the Member for East Hampshire (Damian Hinds), tried to claim that the issue of compensation in this case was different from others. I would like to address directly some of his points and explain why I and members of the parliamentary support group believe that the UK should obtain compensation for the victims. I appeal to this Minister to rethink how the Government approach the issue.

The Minister in the previous debate implied that victims of bombs that contained Libyan-supplied Semtex should be somehow treated differently, as those bombings were indirect acts of state agents from Libya. Of course, the Lockerbie bombing victims were treated as victims of direct actions by Libyan agents. Why are the two types of terrorism treated differently? To me, that makes no sense, and I doubt that uncompensated victims will agree with such meaningless distinctions between the two types of terrorism.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): First, I want to make it clear that this is a passionate debate and very important points have been made, but the Lockerbie bombing was directly linked to the Libyans. Where things become difficult is when a third party is involved in state sponsorship of terrorism. That is the distinction that we find. I am not saying that we should not pursue this issue. I am actively doing that and doing my best to do it, but it is not as clear-cut as when an aeroplane is taken out of the sky deliberately by the Libyans themselves. That was the link that the Americans made in seeking compensation. In addition to that, they wrapped into the compensation package other events as well, just to conclude the entire deal. That made it extremely fuzzy, but the US managed to succeed in doing that. I question why the Government of the day in this country did not do something similar.

Andrew Rosindell: I hear what the Minister says, but the reality is that if someone is a victim of terrorism, they are a victim of terrorism and the UK Government have a responsibility to act and ensure that there is fairness and that compensation is paid.

The reason why Gaddafi supplied the IRA was to retaliate against UK policy at the time. The Libyan regime may have used the IRA to do its dirty work, but it was a political decision by Tripoli, and Her Majesty's subjects were harmed as a result.

The Minister at the time of the debate earlier this year, my hon. Friend the Member for East Hampshire, also stated that the US victims received compensation because Libya approached the US directly and Gaddafi wanted to be readmitted "to the international fold".

The facts are that in January 2008 the US Congress passed a law that allowed victims of Libyan terrorism to enforce their damages against Libyan assets held by US companies. The end result was the 2008 US/Libya Claims Settlement Agreement. Why did the United Kingdom not pursue a similar approach? Why did Britain not make it a condition of its détente with Libya that the compensation issue had to be resolved? If this gave the United States a bargaining chip with the Gaddafi regime, that begs the question why the UK did not raise this when the Prime Minister at the time, Tony Blair, travelled to Tripoli in 2004 and 2007. Surely the UK should have used opportunities such as those visits to raise this vital issue for UK victims too, and to negotiate a settlement with Libya. Why did that not happen?

Mr Ellwood: I am grateful to my hon. Friend for giving way again. The Select Committee needs to invite Tony Blair to stand in front of it and answer those questions. That is what I would encourage the Select Committee to do and I am aware that its Chair is here listening to this.

Andrew Rosindell: I hope that the former Prime Minister will make himself available to the Committee, but that is a matter for the Select Committee. I would like to address what our Government can do today to help the victims of that terrorism.

There have been multiple opportunities to raise this with the new Libyan Governments following the fall of the Gaddafi regime. Given our offer of financial and military assistance as well as trade, why has this not been pursued at the same time? My hon. Friend the Member for East Hampshire also said that one of the reasons the Lockerbie bombing claimants received compensation was that they had the support of a United Nations Security Council resolution, so why should the UK not be lobbying the Council for the same support?

Lastly, I refer to the point made by the former Minister, my hon. Friend the Member for East Hampshire that:

"The Libyans see themselves as victims of Gaddafi, not the bearers of his legacy."—[*Official Report*, 23 February 2016; Vol. 606, c. 33WH.]

That, too, is no excuse not to proceed. The UK victims of Libyan-sponsored IRA terrorism are also victims of Gaddafi. It is clear that if the victims are to receive any kind of justice and compensation, Her Majesty's Government urgently need to consider two options. Either Her Majesty's Government accept that they have failed to defend the interests of their civilians and pay compensation directly to the victims, or the Government agree to pay compensation in an interim period, to prevent victims waiting any longer, with the intention of recovering that money from those responsible when the time is appropriate. The point underlying those options is that the victims should receive compensation as soon as possible.

With regard to the first option, the Government must accept some responsibility for the fact that the victims have not received compensation up to now. Nobody has received one single penny, and that should not be acceptable. It is the responsibility of the UK Government to protect UK citizens from international terrorism and, in the case of failing to secure compensation for victims of Libyan-sponsored IRA terrorism, they have failed. It is true that Libya is currently an unstable state, and that

setting up negotiations with the Libyan Government would be difficult, but this is the fault of the UK Government for not having attempted such negotiations before 2011. Her Majesty's Government must surely not miss any opportunity to raise this issue with the Government of Libya—fragile or not—today. Will the Minister assure the House that this will now happen?

The second option is for Her Majesty's Government to espouse the claims by paying the victims compensation themselves, with the objective of recovering the money from Libya through either negotiations or the use of frozen assets. That would allow for the current instability in Libya, but address the fact that the victims have been waiting too long and indefinitely. We have a responsibility to obtain compensation for the victims as soon as possible, not years down the line when many may no longer be with us. Additionally, the UK Government should allow the UN and the EU to change the current licensing framework so that frozen assets can be used to recover the money. I understand the challenges that such a task would involve, but it would send a strong signal, at home and abroad, that the UK supports its victims of terrorism and that they will not be abandoned.

Until now, it is clear that the UK Government have not done enough to support the UK victims of Libyan-sponsored IRA terrorism. The Foreign and Commonwealth Office unit that was set up by Gordon Brown's Government appears to have done little for the victims, apart from provide them with false hope. The Department holds the policy of not espousing private claims, but these are not simply private, because their cause is tied up with international politics. This is an abdication of its moral and legal responsibility and I do not believe that Members of this House should accept it for one moment longer. I say to the Minister that Her Majesty's Government have a duty to act immediately to secure compensation for the long waiting, and greatly deserving, victims of these atrocities.

Several hon. Members *rose*—

Joan Ryan (in the Chair): Order. If all Members are now going to get to speak, the time limit needs to be reduced to something like three to three-and-a-half minutes.

10.15 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak on this very important subject. The right hon. and hon. Members who have spoken have outlined the issues for us as Northern Ireland MPs, against the background of the massive loss of life not only in Northern Ireland but on the mainland. It is good to know of the cross-party support on this issue in this Chamber. I commend the hon. Member for South Suffolk (James Cartlidge) for the way he set the scene. I was keen to see whether Labour, under its new leader the right hon. Member for Islington North (Jeremy Corbyn), would see this as a priority, but obviously it does not. The right hon. Gentleman has shown an interest in the IRA in Northern Ireland in the past, but from a different perspective.

The IRA terrorist campaign led to the deaths of 3,750 people not only in Northern Ireland but in Brighton, London and Manchester. Each IRA bomb was Semtex that came from Gaddafi and the Libyans. My hon.

Friend the Member for Belfast East (Gavin Robinson) very clearly outlined how Semtex is affecting things that are happening even today.

Sunday was the anniversary of 9/11, and we all took time to reflect, prayerfully and physically, on that occasion and on what took place. That changed the opinion of the world in many cases. It changed the opinion of the Americans as well, who in the past perhaps looked on the Irish problem as one in which so-called freedom fighters—the IRA—were doing something fanciful and maybe romantic, as they saw it. That changed with the bombing of 9/11, when they realised what terrorism was—it changes us all.

I commend my friend, Andrew Mackinlay, who is here, for the hard work that he has done in the past, and those people in the Gallery who are here to acknowledge this fact as well. Compensation and a form of justice is what we are after. The Minister has stated that he cannot speak for past Governments, and even if he could it would be unfair to ask him to do so.

The Americans are notoriously litigious—some lawyers are on speed dial—yet their Government stepped in to ensure that a compensation claim was pursued corporately and not through individual suits. The passport that we all carry in this House—I will just make this point quickly in the short time I have—contain the momentous words:

“to afford the bearer such assistance and protection as may be necessary.”

That is demanding upon other nations, but it is also demanding upon our own Foreign and Commonwealth Minister and Government. I have read of how EU regulations do not allow for the unfreezing or use of interest of Libyan monies in British banks, but I do not feel victims should wait for us finally to be extricated from the bonds of the EU to have access to compensation. That is very important.

The fact remains that my constituents, and the constituents of many of my colleagues in this place, have a right to know that their Government are working on their behalf, most especially after having suffered at the hands of terrorists who do not have to do the time for their crimes. The Good Friday agreement, and latterly the on-the runs scheme, has meant that for many the hope of justice has disappeared. There is still hope for these victims that their pain and suffering could be acknowledged in this way, and that is what I am asking for today.

In conclusion, in memory of all those who lost lives—murdered in cold blood by the IRA over 30 years of terror aided by Gaddafi and Libya—our Government will stand up and speak out. If legislation needs changing, change it. If European regulations need altering, do so. If others in the UN must be tasked to see things from our angle—in the way that the Americans were able to do—take them to Specsavers and ensure that they can see clearly the fairness and equality that we see clearly in this Chamber. Do what needs to be done and say what needs to be said. If we do that, we will be treated similarly to our American friends and colleagues. I believe that our Government must take this opportunity to prove that by taking actions from today. I fully back the comments that have been made and look to the Minister for his response.

10.20 am

Ms Margaret Ritchie (South Down) (SDLP): It is a pleasure to serve under your chairmanship, Ms Ryan, and I congratulate the hon. Member for South Suffolk (James Cartlidge) on securing this very important debate.

The many thousands of people who, during the troubles in Northern Ireland—whether in Northern Ireland, the Republic of Ireland, here in Britain or elsewhere—were subject to violence and human rights abuses are entitled to compensation, truth and justice. As other hon. Members have said this morning, violence and terrorism were never justified in Northern Ireland. It was always a political process and should have been a political process.

That violence and terrorism was never justified and it is never justified today either. Whether it involved victims of the IRA and Libyan weapons, victims of British Government agents, or victims of the Ulster Defence Association, the Ulster Volunteer Force or other paramilitary groupings, every single murder during the troubles was wrong. The rights of victims, such as those sitting behind us in the Public Gallery today, must be respected and supported by all political parties.

We in the Social Democratic and Labour party support the victims of IRA violence using Libyan weapons and believe that those claims should be worked through by the Libyan and British Governments; Colonel Gaddafi and the Libyan Government supplying those weapons to the IRA was immoral, unacceptable and wrong. It created unnecessary death and destruction, which was never, ever justified. I know that Libya has conceded the principle of compensation by making payments to citizens of the United States and the Minister has been trying, through his interventions, to explain the reasons why that has not happened back in the UK. But it is important that that vital instrument and vital piece of the wider geometry is understood and resolved for the benefit of all.

In untangling the situation with the current Libyan Government, we must also try to understand the situation facing victims and survivors of all the terrorist violence that took place during the troubles in Northern Ireland. I am thinking of my debate last week about Loughinisland, where six men were tragically killed by the UVF; there has been no justice and accountability. Again, that is symptomatic of the wider feelings around dealing with the past. I ask this Minister, who is from the Foreign and Commonwealth Office, whether he will have discussions with his counterparts in the Northern Ireland Office on foot of this debate, because the ongoing case that we are discussing today is not only for financial compensation, but for the acknowledgement and recognition of the suffering caused, and for truth and accountability.

As hon. Members here today know, particularly the right hon. Member for Lagan Valley (Sir Jeffrey M. Donaldson), who has dealt with Eames-Bradley and other such issues, the structures for dealing with the past in Northern Ireland have been downgraded since Eames-Bradley and, in fact, even since the Stormont House talks. Serious work and amendment are still required on the oral history archive, the historical inquiries unit, the Independent Commission on Information Retrieval and the Implementation and Reconciliation Group.

In conclusion, I believe that the process on legacy matters, such as that under debate today, must be right, as must be the final product. That can be achieved only

if victims and survivors are fully involved, and that includes the people who were impacted by Libya and the consequences of the supply of those illegal arms to the IRA, as well as by the arms retrieved from South Africa that caused the deaths of people in Northern Ireland.

We have only one chance to deal with legacy in the UK—particularly, from our perspective, in Northern Ireland. It must be credible and must be seen to be credible, and only full transparency from the Government will achieve that. That is what I am looking for today in the Minister's response.

10.24 am

Tom Elliott (Fermanagh and South Tyrone) (UUP): It is a pleasure to serve under your chairmanship, Ms Ryan, and I welcome the debate that the hon. Member for South Suffolk (James Cartlidge) has secured. He clearly highlighted the good work that is ongoing at the moment but I have to say that, in the end, it is not enough. I support his aspiration regarding what should have happened, and the Minister's point about what should have happened under a past Government regime. I have a sense of frustration about that, just as the victims do, but we are where we are and further work will be needed. I welcome the Bill of my colleague, Lord Empey, in the other House, but it will take work from this Government to move that forward.

I certainly do not want to pretend that I have a monopoly on the representation of victims, but I remind hon. Members of the Enniskillen poppy day bomb in my constituency back in 1987, which killed 11 people. We do not have any conclusions on that. Even though the Historical Enquiries Team promised a report four years ago, we still do not have it, and we still do not have any progress.

I believe that there are people out there who could help that investigation in identifying some aspects about the weapons and support that came from Libya. Some of those people are very senior in the Northern Ireland Executive now. Indeed, I believe that the Deputy First Minister, Martin McGuinness, could give support, help and assistance, but it appears that he is not prepared to do so. If we are going to deal with the past and aspects relating to Libya, Martin McGuinness and his colleagues need to come out and be absolutely clear on where they stood, what they have done in the past, and how they assisted. I want to see progress on that.

Somebody earlier mentioned fairness. This is about fairness. We hear of the millions of pounds that are going to other inquiries in Northern Ireland and on mainland UK. Why can other victims not have a share of that, whether it comes from Libya or other places? They need that equality and support as well, and they are not getting it. I know of several police officers and Ulster Defence Regiment members who were murdered. Their families got a few thousand pounds in compensation, but that is not appropriate, and it is certainly not fair when we hear of the millions going to victims now. I want to see that addressed and the balance redressed.

I am pleading with you, Minister, please, in the lifetime of this Parliament, make sure that we resolve this matter now, so we are not coming back to it in five years' time and having the same debate. I believe that you have the wherewithal to do it. The Libyan Government have accepted the principle in the past by giving other

countries compensation. I am pleading with you now: please do it for your own citizens. Do it for the citizens of the United Kingdom, which includes those in Northern Ireland as well.

10.28 am

Ann Clwyd (Cynon Valley) (Lab): I am grateful to the hon. Member for South Suffolk (James Cartlidge) for allowing me to take part in this debate. He stressed that although US citizens caught up in IRA bombings using Libyan Semtex have been compensated, UK citizens have not, and I hope what I say will contribute to the arguments used in this debate.

As the House will be aware, this kind of situation, in which our nationals are not compensated but others are for very serious wrongs committed against them by, or involving, another Government, is not unprecedented. I have been campaigning for many years for compensation for UK citizens taken hostage by the Iraqi Government of Saddam Hussein at the time of the invasion of Kuwait by Iraq in 1990, including those on BA flight 149, and released some months later. Many of those people—I have a letter here today—were badly traumatised by their experience. Some suffered mental and physical abuse, including instances of mock executions and rape, and none, to my knowledge, has received compensation.

The issue has been raised with me again recently in the letter, the writer of which asked me to continue raising the issue. This is a historical wrong that still needs to be addressed. The UK Government should do more to assist the victims—particularly as nationals from other countries, including France and the United States, have received compensation—including those on British Airways flight 149. I will not go into the details, but I remind colleagues that BA flight 149 made a stopover in Kuwait on its way to Malaysia from Heathrow on the day of the invasion. It has since been alleged that the UK Government allowed the passengers and crew to land there, knowing that they would be endangered.

Especially galling is that 61 French passengers on board the plane won compensation worth about £50,000 each from BA. There have also been reports of undisclosed payouts to American passengers held as human shields. However, the case brought by British passengers was thrown out, essentially on a technicality, by the House of Lords. In fact, after the 1991 war, the UN Security Council ordered Iraq to compensate countries that suffered as a result of its occupation of Kuwait.

Compensation has been paid—a significant proportion to Kuwait. I am not aware of any payment by the Iraqi Government, or any other entity, to British claimants. Will the Minister clarify whether that is, in fact, the case and whether the UK Government have ever formally raised the matter with the Iraqi Government or any other relevant entity? The matter remains unresolved and the UK Government could undertake to raise it in the coming months.

Finally, I remain concerned that the UK Government have not yet dealt with the cases with sufficient resolve and urgency, including in my example, in that set out by the hon. Member for South Suffolk and many other colleagues, and in current cases where British nationals' rights, wellbeing and security are being flagrantly treated with contempt by foreign Governments. I support the case put by the hon. Member for South Suffolk. The situation is unfair and unjust.

10.32 am

Danny Kinahan (South Antrim) (UUP): I am pleased to speak on something about which we all feel passionate. I congratulate the hon. Member for South Suffolk (James Cartlidge) on raising the issue, and I wish that more hon. Members from this side of the water would raise the issue so that we could all work together.

I am pleased to be on the Select Committee on Northern Ireland Affairs and to have listened to some of the ghastly evidence of those who have suffered. The driving force of today's debate should be to get action and care for those people from now on. We are all part of the pride that is British society; yet, somehow, we have let ourselves down. We have not done what we should have done for all those people, one of whom referred to the "hell on earth" that she has been through. That sums it all up. We should be looking into how we care for them.

The Minister kindly wrote me a letter in reply to various queries. On the question of how to look after victims of post-traumatic stress disorder, he referred to going to the NHS. That made me think about the route that we are taking with the military covenant. Maybe we should produce a covenant for victims—something that everyone in the whole UK is behind—to ensure that we look after them, whether that is at a Westminster or a council level. We should look into having a system, but there should be no excuse for not doing things now. We should find a way to care for the victims.

We have heard about compensation, and we need to find a way to get that. The hon. Member for North Antrim (Ian Paisley) suggested exactly what I had in mind. Let us do something in lieu of the £9 billion that is sitting there, and find some way of making use of the money. Whether it is buying a house or borrowing, we all find ways to talk to the banks and move forward. There must be a way—working through the UN, the EU and others—to find a solution that produces funding.

Another point that always seems to be missed out is that we do not have a database of all the victims. There is a mass of people. We need some form of publicity to build the database so that when we get the compensation—and I believe we will—we can look after everyone, especially those who need it.

Finally, could we have openness? Many, such as the Minister and all those who are here today, work phenomenally hard, but there are still so many doubts. We cannot get Tony Blair or Gordon Brown to the Committee. There are so many unanswered questions that leave a dirty feeling about what is going on. I know that many people are working hard, but can we please get out there and have openness? Perhaps we could have an open reconciliation commission here so that we can actually get to the bottom of the issue so that everyone can move on. We need speed to help those in need.

10.35 am

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): It is an honour to serve under your chairship, Ms Ryan. I congratulate the hon. Member for South Suffolk (James Cartlidge) on securing the debate. Like him, I am fairly new to the subject, so it has been a real privilege to hear from so many hon. Members who have been campaigning for so long to get justice for victims.

[*Stuart Blair Donaldson*]

The issue remains extremely important and sensitive. The Scottish National party welcomes the fact that the Northern Ireland Affairs Committee is carrying out an inquiry into the matter of compensation for victims and the UK Government's role. It is good to see so many members of the Committee here today. It is right that an independent inquiry into the issue should take place to fully evaluate whether all the decisions made by the UK Government on the matter were appropriate. We hope that the inquiry will be able to answer the questions that the victims' families have been struggling with for so long, and that it may help families to find some resolution and peace.

Any decisions made would have to go through various diplomatic and legal processes, but we must ensure that any processes are undertaken with utmost respect for the dignity and privacy of the victims' families. According to the UK Government, the avenue of using frozen assets to compensate victims' families would place the Government in breach of their obligations under UN Security Council resolutions, EU sanctions regulations and the European convention on human rights.

In February 2016, the then Exchequer Secretary to the Treasury, the hon. Member for East Hampshire (Damian Hinds), stated that

"the legal framework relating to financial sanctions is focused on preserving the funds for the benefit of the Libyan people"—[*Official Report*, 23 February 2016; Vol. 606, c. 32WH.]

However, it seems that there is still a possibility that a more personal agreement could be reached between the representatives of victims' groups and the relevant Libyan authorities, although I was interested to hear about the Government taking those issues on. It is promising that, as reported in *The Daily Telegraph* in January 2016, the Minister met with the Prime Minister designate of Libya, Fayez el-Sarraj, and raised the case for compensation. It is good to see the Minister here and I am sure everybody is looking forward to his response.

Although the wish to have the matter resolved as soon as possible on behalf of the victims' families is understandable, it is of utmost importance that the ongoing political instability in Libya is taken into account before any such communication takes place between victim support groups and Libyan authorities. Families have been through the terrible experience of losing a loved one in such horrific circumstances. To avoid any further unnecessary suffering and to ensure the privacy of victims' families, it is vital to wait until diplomatic and peaceful communication between victim support groups and Libyan authorities can be achieved.

We welcome the fact that the UK Government have shown support for such a pathway, and we hope that they will continue to update victim support groups on the ongoing political situation in Libya and any progress that can be made with their cause. A number of important issues have been raised in the debate, so I will finish my remarks because I am sure that many hon. Members want to hear the Minister's response.

10.38 am

Catherine West (Hornsey and Wood Green) (Lab): It is an honour to serve under your chairmanship, Ms Ryan. I congratulate the hon. Member for South Suffolk

(James Cartlidge) on securing the debate. I also pay tribute to the tireless work of support and campaign groups that have continued to seek justice for those who have fallen victim to terrorism, including the Docklands Victims Association, which recently commemorated the 20th anniversary of the Canary Wharf bombing. Indeed, my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) was in the Chamber earlier.

I appreciate that when the Minister gave a commitment back in September 2015 that the

"Government's objective is broad and lasting reconciliation between Libya and UK communities affected by the Qadhafi regime's sponsorship of terrorism",

there was no stable or recognised Government in Libya, and that remains accurate today. Even in the last 24 hours the Government of national accord have lost control of three major oil ports. We know how difficult it is, but will the Minister please update us on the most recent representations to his counterparts, not just in Libya but in the USA? As Members have said today, there is a serious anomaly—I am talking not just about US victims, whom the hon. Member for Romford (Andrew Rosindell) underlined in his speech, but about French victims, whom my right hon. Friend the Member for Cynon Valley (Ann Clwyd) mentioned. Why should victims in the UK be any different?

Many Members have mentioned the legalities of this case, but surely the big question is the moral case. We are not here just to talk about legalities, court cases and precedents, and so on; what we care about is fairness for victims. So many years have now elapsed, and we are desperate to get a solution.

I will repeat a couple of important points so that the Minister can be forensic in his response. As I am being brief, I hope he will allow me to intervene if he does not respond to my questions. First, the hon. Member for South Antrim (Danny Kinahan) made a brilliant observation about having a covenant for victims. What is stopping our excellent civil servants drafting such a covenant? The Northern Ireland Affairs Committee could have a hearing on a covenant for victims, and the hon. Member for Tewkesbury (Mr Robertson) could contribute to debates within the Committee.

Secondly, what is the Minister's view on building a database? Thirdly, the hon. Member for South Suffolk said that there should be regular updates on the FCO website. If not, why not? Tell us this morning. Let us get some certainty. Finally, I see no difference between the US and the UK. We are partners when we set out on such expeditions, and we should have a similar outcome for victims here in this country.

There has been much talk of predecessors. When Gordon Brown set up the reconciliation commission, I was probably leading the London Borough of Islington and talking about speed humps. What matters is that we are where we are. Some of us were not in the House then, and it is important that we start from today. Today we can have a fresh start. We have heard passionate speeches today from Members on both sides of the Chamber, and there is no reason why we cannot start afresh with fresh Members and fresh energy. Let us have some justice for the victims. Let us not allow this debate to get dusty on shelves again.

Joan Ryan (in the Chair): I ask the Minister to wind up with a minute or two left at the end, so that the hon. Member for South Suffolk (James Cartlidge) can conclude.

10.42 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): It is a pleasure to serve under your chairmanship, Ms Ryan. I begin, as others have done, by underlining the importance of this debate in the wider picture of ensuring that the Government have a better understanding of these critical matters. I am grateful that the legislature is able to continue holding the Executive to account on an extremely sensitive issue—the legislature has been tested by the length of time it is taking to resolve these important matters. I congratulate my hon. Friend the Member for South Suffolk (James Cartledge) on his contribution; indeed, I congratulate all hon. Members on their very moving and pertinent contributions today.

When I first came across this issue before the Northern Ireland Affairs Committee, I did not know a huge amount of detail, as was evident by the types of answers that I then provided. I hope that my answers today will express a determination to stick to the course, which I would have done even had I moved away from the Foreign Office. Thankfully I continue in this post, and I endeavour to do what I can to work with fellow parliamentarians to ensure that we can push this cause forward.

As has been recognised here today, the situation in Libya is at the heart of the issue and is a cause of absolute frustration in our not being able to move this forward. The situation is testing the patience of those seeking compensation. Until Libya has a Government we can work with, we are simply not able to consider what to do with the frozen assets—we are simply not able to have those conversations. Every time I have addressed this matter in Parliament, I have been pleased to say that the situation in Libya is incrementally better, and the same is true today. However, the situation is still very delicate. The Government of national accord, under Prime Minister Sarraj, are having a tough time of bringing together societies that for 40 years under Gaddafi had no ability to flourish. Our embassy is not fully functioning, and our ability to move in and out is still restricted, as expressed by our travel advice. As has been mentioned, Daesh is moving into certain areas and towns. The situation is difficult, but it is better than the last time I spoke to the House on this issue.

Lady Hermon: The Minister has listened carefully to the evidence given to the Northern Ireland Affairs Committee, of which I am pleased to be a member. I have a specific point on the 2011 EU regulation governing the freezing of assets. That regulation was implemented in the UK, but the Brexit decision means that the Government are free from that regulation. As there are no additional domestic measures on the freezing of Libyan assets, will he confirm that this is part of the Brexit negotiations?

Mr Ellwood: If hon. Members allow me, I will do my best to answer all the questions. My hon. Friend the Member for Romford (Andrew Rosindell) also mentioned Brexit—he is characteristically on top of Brexit matters—and my direct answer is that I am afraid that that is not the case. First, many of the EU's financial regulations have been written or espoused by Britain because we led on financial services. Secondly, we are governed by UN regulations, and those are the ones of which we would

be in breach. I will come and speak to the hon. Member for North Down (Lady Hermon) about that in more detail.

I met the Prime Minister-designate, as he then was, back in November 2015. I had subsequent meetings with the Foreign Minister of Libya, and I hope to meet him at the UN General Assembly next week—I will be raising this matter, too. Our new Foreign Secretary has also raised this matter, and our previous Foreign Secretary, now the Chancellor, raised it when he visited Tripoli only a few months ago. I wrote to Libya's then Justice Minister about the formation of the committee on this very issue, but there has since been a reshuffle—that happens, as we know—and the justice post is currently vacant. I am waiting to see who the new Justice Minister is. I will be making contact to pursue these matters as soon as that appointment is made.

Kevin Foster (Torbay) (Con): Will the Minister give way?

Mr Ellwood: I will give way. I am conscious that I have a lot to get through, so I ask that the intervention is short.

Kevin Foster: I thank the Minister for giving way. I will be very brief. Will he make it clear that, whatever Government emerge, we will expect them to take some responsibility? There are examples from history. Germany rejected Nazism, but the Government who were eventually formed still paid compensation to its victims.

Mr Ellwood: We need to make a powerful case that there was clearly state-sponsored terrorism, with devastating effects in Northern Ireland. I will continue to make that case in New York next week, but I will also do so in further meetings as relationships with Libya become stronger.

Frozen assets have been mentioned several times. If we dip into the frozen assets based in this country, where would that take our relationship with Libya as a whole, when we are about to have the very conversations that my hon. Friend just mentioned? We need to be careful. I pose some difficult questions to the House. How much would we take? To whom would we give the money? How would we distinguish between somebody injured by Semtex, where it is very clear—Semtex has a footprint that can be identified because of the way it is made by hand—and somebody injured by ammunition provided by Libya? These are difficult questions that those involved in compensation need to start thinking about.

Were we ever to get any form of compensation from Libya, I suspect that we would need to get our heads around the idea that it will be a single sum that is slid across the table. It will be for the victims' organisations to assess how the compensation is divided up, as those in authority in Libya would not want to be involved in the detail. I share that now because these are awkward, difficult questions.

One Member talked about the mental scars that have been caused. People who have not necessarily come forward yet are subject to these issues, which raise difficult questions. When we speak about frozen assets and so forth, let us also ask ourselves exactly what the

[*Mr Ellwood*]

mechanisms will be if we go down that road—let us do the homework—so that we are prepared if such questions are asked of us.

However, I do not want to raise any expectations at all. Ultimately, we still need to convince the necessary authorities that they will speak for what a previous Government under Gaddafi did by putting their hand up and saying that they sponsored terrorism through the IRA. I am also aware that a private Member's Bill is coming through from the Lords—my hon. Friend the Member for Romford might be involved in that as well—so we will undoubtedly explore such issues in due course.

On asset freezing and Brexit, as I said, maybe I can write to the hon. Member for North Down in more detail, but the issues are subject to myriad regulations, some of which involve the EU, from which we might be liberated if article 50 passes. Nevertheless, the reputation of the City of London is also involved, which is significant as well. If we are seen to dip into assets, where does that place Britain as a safe place to do business? Morally, we might say, "Absolutely. Let's go down this road and take those assets." I simply suggest that there will be consequences if we do so.

Sir Gerald Howarth: Surely there is a simple solution. We are masters of our own destiny—even more so after Brexit. Let us just pass a Bill. This House is sovereign; we can write our own laws.

Mr Ellwood: As I said, that is an option that we can consider, but it has severe consequences, which is why I would not recommend it when we are about to embark on discussions. If there is any whiff that we are about to dip into frozen assets to the tune of £9 billion, where will that take our relationship with Libya? There would be consequences. I will make it clear: our objective is to gain compensation, but our strategy to gain that compensation should take us to the best possible place, rather than making us enemies along the way.

Catherine West: What assessment have the Minister's civil servants made of the varying degrees of need? We know that some victims are in desperate need—today, not in the future. What assessment has been made of their varying levels of need?

Mr Ellwood: It is not for me to do that. I am the Minister in the Foreign Office. When I visited Northern Ireland, it became apparent to me that there were cases in which those subject to violence and terrorism there by the IRA were perhaps not receiving as much compensation as they should. I pass on such matters, but they are not for me as a Foreign Minister to pursue. I am helping with the link with Libya.

There are various schemes in place. I am involved in supporting those affected by the Sousse terrorist attacks to ensure that they receive the necessary compensation. There is a criminal injuries compensation scheme, as well as one tailored to Northern Ireland. If they do not meet the support needs of those affected, that is a domestic matter that must be pursued, and I will encourage

that, but it is not for me to pursue it. However, I will discuss it with the new Secretary of State for Northern Ireland.

Ian Paisley: To be frank, it is a bit of a red herring to be arguing in this debate about dipping in. That is part of the drive of the Bill in the other place. We argued for something very separate: Her Majesty's Government should make a payment in lieu. That would involve the Minister at the Foreign Office having a discussion with Her Majesty's Treasury and coming up with some way to underwrite that payment. Is that a possibility?

Mr Ellwood: Again, time is limited. There is a Bill coming through, and it will have its Second Reading on the Floor of this House. We can have that debate then; it would be the most appropriate time to do so. The frozen assets do not belong to the Gaddafi family; they belong to the state and the people of Libya. That is the international law by which we abide. We can release, unfreeze or touch those frozen assets only when there is a secure and stable state to return them to. To do anything else would be unlawful. I want to make that clear.

Moving on to some of the other points made, the hon. Member for North Antrim (Ian Paisley) covered the issue of frozen assets, but also spoke about the strategy. Let me make it clear: if we go down the road of using frozen assets, we are basically saying that we do not want to have the conversations with Libya that we are about to embark on. We must be clear about where to focus our energy. We have made it clear that the Government will not espouse individual claims, but I will lead a delegation to knock on the Justice Minister's door to pursue compensation. If Libya and Tripoli are not safe enough, let us ask them to come to London so we can have those conversations here. That is my commitment to ensuring that we pursue and continue the dialogue. I think and hope that that strategy will meet with the agreement of all hon. Members who have spoken in this debate.

My hon. Friend the Member for Romford also spoke about comparing the aid budget, as is often done in such cases, suggesting that we should hold it back to encourage compensation to be paid. Again, that would have huge consequences. He will be aware, as are others here, of what is happening on the Libyan sea front. Criminal gangs are using rickety boats to bring people across the sea. Our aid budget assists in preventing that from happening. There would be direct consequences for other aspects of Libya, including support for the fight against terrorism, so it might be unhelpful from that perspective. However, I absolutely agree that there should be a quid pro quo to encourage things to happen. I am being careful while saying this, because there are civil servants looking at me with big eyes, but our genuine further commitment should be based on what progress we see, not least on this particular issue. I will leave it at that for the moment.

The hon. Member for South Down (Ms Ritchie) talked about justice and accountability, which are an important part of this issue. It is about ensuring that Libya not only recognises the need for compensation but puts up its hands, in the way that we have seen with the United States. I am conscious of the time, so I will just touch on the United States. That was a political

agreement, not a financial package of compensation. It was about bringing Gaddafi in from the cold. That is why, in my earlier intervention, I suggested inviting Tony Blair to make a statement on the matter. Clarity is needed on what happened in 2008 and why we did not pursue something similar. That was our opportunity, and I believe that that opportunity was missed.

I will wind up my speech, if I may, because there were many more questions to be answered. In my usual style, I will write to hon. Members with more details on the questions they have asked, but I hope that I have exhibited some passion and determination in saying that I absolutely want to ensure that this Government do what we can to hold Libya to account and give it the opportunity to do the right thing by recognising the case for compensation. Perhaps it can be tied to when the assets are released. That would be a major step forward in strengthening the bond between our two countries. Much hinges on the progress made in Libya. It has been very slow indeed, much to the frustration of everyone.

10.58 am

James Cartlidge: This has been an excellent debate. I thank all hon. Members, from all parties and all parts of the United Kingdom, for participating. In this short time, I will highlight some of the key points made. Different proposals have been made on the subject of assets. The hon. Member for North Antrim (Ian Paisley) talked about payment in lieu. The key thing, as my hon. Friend the Member for Romford (Andrew Rosindell) mentioned, is Lord Empey's Bill, which unless I have misunderstood—I will check *Hansard* tomorrow—we will have Government time to discuss. We would be grateful if that Bill could be debated fully in the House of Commons so we can explore the details. I welcome that.

On the subject of aid, I agree with the hon. Member for Belfast East (Gavin Robinson). To me, it is hard to defend paying large amounts of aid to Libya without any discussion of compensation. We should pursue that point. On Tony Blair, we would all like to see him before the Committee; I think that is unanimous. We want to discover what happened in those negotiations. It is a mystery to us, and we hope to explore it.

The Minister asked how we might determine how much compensation is due. As I understand it, in the US-Libya deal in 2008, a tariff was set up for the victims. Otherwise, how would payments have been awarded? It was not done on a random throw of the dice, so there is a precedent in the US for the people of the United Kingdom. The point is that compensation was paid—in some cases, millions of pounds. Either way, there is a precedent. That is what we should look at, and it is a key point in this debate. Compensation has been paid, and we want it for our victims in this country.

Motion lapsed (Standing Order No. 10(6)).

Dangerous Driving: Penalties

11.1 am

Claire Perry (Devizes) (Con): I beg to move,

That this House has considered penalties for causing death by dangerous driving.

It is a pleasure to serve under your chairmanship, Ms Ryan. I appreciate the Minister's making time to respond to the debate, which concerns many MPs across the House.

I was made aware of the case of James Gilbey when his dad, Major Richard Gilbey, came to see me in my constituency surgery earlier this year, about a year after James was killed on a pelican crossing while walking home after a night out in Leeds. He was a 25-year-old man who worked for British Gas and loved his life. On that night he had the misfortune to be in the sights of two men racing their cars through the streets of Leeds, who were travelling at speeds of up to 90 mph despite driving through residential zones with signs that clearly stated the speed limit of 40 mph. Those gentlemen had a history of driving convictions, as well as other convictions. That night—either by tacit or explicit arrangement—they decided to drive with such undue recklessness and negligence that James, who started across the pelican crossing when the cars were 100 metres away, did not stand a chance.

The car driven by Majid Malik hit James so hard that his body travelled 70 metres down the road. While he lay there, the drivers of both cars stopped. Mr Malik reversed and went back to the scene—but only, it appears, to try to retrieve his number plate, which had been wrenched off the car, along with the bumper, by the force of the impact. He then drove off, hid the car, burned his clothes and went to ground. It was only after substantial efforts by the police force that he finally turned himself in. He pleaded guilty to causing death by dangerous driving, a charge impossible to avoid because he was seen on CCTV and the car was registered to him. His friend, Kaiz Mahmood, did not plead guilty to causing death by dangerous driving. Nor did he admit to racing his car, despite the fact that his Audi A5 was so close to the vehicle that hit James that it was splashed with James's blood.

Mahmood went to trial, where he was charged with the most serious offence of causing death by dangerous driving, a level 1 offence, which under current sentencing guidelines carries a maximum custody sentence of 14 years and a starting point of eight years. After a long and painful trial, which James's parents had to sit through, the gentlemen each received an eight-year sentence for what they had done. It was clear from the judge's comments that he recognised the severity of the crime and his inability to charge them with more.

Liz McInnes (Heywood and Middleton) (Lab): The hon. Lady has said that dangerous driving affects a lot of constituencies. In my constituency, a 25-year-old man was mown down in his car by a driver who ran a red light at 80 mph in a 30 mph zone. The driver split my constituent's car in two, such was the impact. My constituent was killed outright. His parents, the Brown-Lartey family, have launched a campaign, Justice for Joseph, for their son. They also support the charity Brake's "Roads to Justice" campaign.

[Liz McInnes]

Joseph Brown-Lartey's killer was sentenced to six years, of which he will probably serve only three. When he comes out of prison at the age of 21, he will be younger than Joseph was when his life was taken away. I am really grateful to the hon. Lady for securing this debate.

Claire Perry: I appreciate the hon. Lady's comments. Many of us have seen such cases in our constituencies. On 17 September 2015, almost a year ago, my hon. Friend the Member for Reading West (Alok Sharma) introduced a debate in which very powerful points were made, and the Government promised to act on them. I shall say more on that later.

The hon. Lady is right to point out that the tariffs are often cut. For Majid Malik and Kaiz Mahmood, the automatic tariff discount means that they will serve only four years in prison—a sentence so light that Major and Mrs Gilbey had to witness the family members of those defendants celebrating in court. They could not believe that their boys had got away with it: "They'll be home in four years. Isn't that fantastic?" Well, it is not fantastic for my constituents and it is not fantastic for anyone who loses a loved one to dangerous driving. They are facing a life sentence of loss.

Caroline Ansell (Eastbourne) (Con): I congratulate my hon. Friend on securing this very important debate. It is agony to hear of the suffering of the family in her constituency and the lack of justice.

The debate is also important to my home town of Eastbourne, where Maria and Richard lost their lives just last month because of dangerous driving. The driver, who was 17 times over the limit, was sentenced to six years for each life, but his sentences will run concurrently, so in all probability he will be back out in three years. The victims' families do not seek revenge, but their question and mine is whether, if the repercussions for dangerous drivers had been made more serious and far reaching to send a much stronger message about the devastation that can be caused, they would have been spared the agony that my hon. Friend describes on behalf of her constituents.

Claire Perry: The hon. Lady raises the issue of what dangerous driving tragedies mean to families. When we read the victim statements, which I will address at the end of my speech, it is impossible not to want to do something.

I want to focus specifically on the law. I go back to what the then Secretary of State, Paul Channon, said in 1989, in introducing a series of changes to the Road Traffic Acts designed to make those who commit these crimes more accountable:

"We aim to ensure that the penalty matches the offence and that those who drive very badly are properly punished."—[*Official Report*, 7 February 1989; Vol. 146, c. 801.]

That has been an aim of many Governments, and very good work has been done on it. In 2004 the Labour Government increased the maximum tariff for death by dangerous driving from 10 to 14 years. In 2011, and again in 2015, the coalition Government introduced

various categories of death by dangerous driving, to ensure that deaths caused by texting while driving could be prosecuted as such.

Last year, 188 deaths were caused by dangerous driving and 201 were caused by careless driving. However, although three fifths of people sentenced were jailed, the average sentences were very short—less than four years. Brake, to which I pay tribute for all the work it does, suggests that only a third of people convicted of causing death by dangerous driving are sentenced to more than five years.

I have three matters to raise with the Minister today, and I am grateful that the Justice Secretary has agreed to meet us later this morning. First, why are these cases not tried as manslaughter? Involuntary manslaughter is "where the offender did not intend to kill or cause really serious harm but where death results from an unlawful act or from gross negligence."

I cannot conceive how driving at up to 90 mph through a residential zone, wilfully ignoring vulnerable road users and racing a car, is not both unlawful and an exhibition of gross negligence. Indeed, I have been told by Ministers that manslaughter charges can be applied to driving offences, but that they almost never are. In fact, the Library could find only two instances of such charges having been applied.

I am no lawyer, but I know how difficult it is to change the law. No one would ever want to second-guess the decisions made by the judiciary or the guidance given by judges, but it seems perverse that, even if we cannot try more cases as manslaughter, the maximum penalty for what is clearly manslaughter cannot be increased. These men killed James Gilbey as surely as if they had thrown a knife or fired a gun down a crowded street; their weapon of choice just happened to be driving 2 tonnes of steel at 90 mph. Surely the maximum tariff for causing death by the worst kind of dangerous driving, which these defendants did, should be lifetime imprisonment. That should be the tariff with which judges and juries can start to work.

Secondly, would increasing the tariff make any difference? The sentencing guidelines are clearly not allowing judges and juries to apply the existing penalties—in this case, up to 14 years. Why is it that defendants are given automatic reductions in tariffs—I do not mean only for a guilty plea; I will come to that—for not being found to be drunk or on drugs at the scene? How would anybody know whether the defendants, one of whom had convictions for the possession of class A substances, were drunk or drugged? They fled the scene. They sped off, burned their clothes and destroyed the evidence. Why do we presume that they are innocent of those charges?

I ask for something the Government have been promising for two years: will they set a date for the review of sentencing guidelines for this particular suite of crimes? Will they look at the maximum tariff of 21 years? Of course, the Government should never be entirely swayed by public opinion, but it is hard to ignore the fact that nine out of 10 people think that crimes of this sort should be tried as manslaughter. Will they commit to a robust review of the tariffs and sentencing guidelines, in order to set a direction with which the Sentencing Council can work?

Thirdly, we would like to see an end to automatic reductions in prison tariffs for guilty pleas or, indeed, an end to the automatic 50% reduction of the sentence

with the remainder served on licence. As somebody who has long been involved in justice debates, I understand that we do not want to fill up our prisons to the point at which they can provide nothing by way of rehabilitation, and I am always sympathetic to Government attempts to divert people from custody. Nevertheless, in this case, in which a life was taken by people behaving so recklessly and callously, with such disregard for James as he lay dying on the road, it is absolutely right that a prison sentence is given.

Surely an automatic reduction in tariff for a guilty plea should be at the judiciary's discretion. By the way, in this case, one of the guilty pleas was not offered automatically: as I mentioned, Mahmood denied causing death by racing until the very last possible minute, yet he was given the benefit of a reduction in tariff. In my view, those benefits—serving only half a sentence or getting a reduction in tariff—should be at the discretion of the judge and jury.

I want to leave the Minister with a question. We already have a suite of sentencing guidelines that claim to punish those who cause death by dangerous driving. Bearing this case in mind, though, just how dangerous does the driving have to be for a maximum tariff to be awarded? As my hon. Friend the Member for Eastbourne (Caroline Ansell) mentioned, these gentlemen will be out on licence within four years, and towards the end of their sentence they will of course be serving a stepped-down version of it. They will be on day release and in open prisons, and they will be back on the streets very soon. My constituents, Major and Mrs Gilbey, have been given a life sentence, as have the rest of their family. They live every day with the loss of James, a man who was walking across a road, using a pedestrian crossing. A man who stood no chance once he was in the lights of those particular cars.

I can end only by reading what Major Gilbey said:

"I want my son, I want to shake his hand, hug him and chat, laugh and joke with him over a pint but I can't. All I can do is hold and kiss the urn that holds his ashes, talk to him through that and his pictures and light his candles. That is not enough".

I agree that it is not enough, and I think the whole House agrees. I look to the Minister urgently to repair the situation by bringing forward the sentencing guidelines, setting a date, and setting the maximum tariff to fit the crime.

Joan Ryan (in the Chair): That was very affecting. Thank you, Ms Perry.

11.15 am

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): It is a pleasure to serve under your chairmanship, Ms Ryan. I congratulate my hon. Friend the Member for Devizes (Claire Perry) on securing this debate and the passion with which she made the case on the tragic death of James Gilbey. Securing justice for victims and relatives in cases of death by dangerous driving is a priority for the Government.

My hon. Friend rightly made the point that a death caused by bad driving that could have been avoided is heartbreaking. I cannot begin imagine the pain that James's family and friends have suffered. I understand that the Justice Secretary will be meeting my hon. friend later today to discuss this horrific case. I offer my personal and deepest condolences to the Gilbey family.

The absence of an Opposition spokesperson in this debate notwithstanding, I know that many right hon. and hon. Members will be aware of several tragic cases of road deaths in their constituencies. I hope that Members will appreciate that I will not be able to respond to all the related cases that have been raised over several years, but I shall try to respond specifically to the points that my hon. Friend made today.

As my hon. Friend said, James Gilbey was crossing the road when he was hit by a speeding motorist who was racing another car. Both drivers fled the scene. Within a few days, the driver of the vehicle that hit James handed himself in to the police. The driver of the second car was arrested later. Both were convicted of causing death by dangerous driving and sentenced to eight years in prison on 24 March. They were also banned from driving for 10 years.

In the time I have remaining, I shall try to deal with the issues that my hon. friend has raised about this case and driving offences more generally. Quite rightly and understandably, my hon. Friend made the point that the worst cases should be dealt with as manslaughter. I understand why, in many cases, causing death by driving is thought to be equivalent to attacking someone with a weapon—my hon. Friend gave the example of someone driving at 90 mph in a residential area. Under the existing law, the Crown Prosecution Service can, and will, charge a person with manslaughter when the evidence supports that charge, it is in the public interest to do so and there is a reasonable prospect of a conviction.

Successful prosecutions have secured manslaughter convictions in driving cases, but it is worth making the general point that having everything classified as manslaughter does not necessarily guarantee a conviction. One can imagine a case in which a barrister played to the jury, asked for lower offences to be considered, and asked the jury to put themselves in the offender's shoes. Classifying cases as manslaughter does not necessarily mean that more convictions will be secured; in fact, the reverse could be true. On top of that, a conviction would not necessarily lead to the expected sentence, because there is no mandatory minimum—it is up to the judge to decide.

Claire Perry: Would the Minister or his Department be able to tell us how many of these cases have been tried as manslaughter cases? I accept what he is saying; indeed, that is why some of the lesser offences were introduced, because there seemed to be a perception that it was harder to convict someone for causing manslaughter by motor vehicle than for other offences. However, dealing with that situation is surely a function of guidance to judges. If it is possible to start with a manslaughter charge and then have a barrister argue that, for whatever reason, the case did not fit the definition of manslaughter, then the next point could of course be to have the defendant tried for causing death by dangerous driving.

Nevertheless, if we consider the definition of unlawful manslaughter—we are not saying that these people deliberately targeted James; we are talking about people who behaved so recklessly or illegally, by breaking the speed limit, that James's death resulted—surely that should be a starting point that the judge could consider? It seems perverse that people argue that just because a judge could not make a manslaughter charge stick, we should not start with that charge.

Mr Gyimah: My hon. Friend makes a very good point, and I hope that I can get for her the information on the number of convictions for manslaughter shortly. However, for a manslaughter charge to be made, the prosecution needs to prove that there was some element of intent or recklessness regarding the death or injuries that were caused, or that the standard of driving was grossly negligent; in other words, exactly the situation that she is describing. However, in many driving cases, the offending behaviour—while highly irresponsible—does not necessarily include the state of mind required for a manslaughter charge to be made. That is why we have specific offences of causing death by careless or dangerous driving.

What amounts to dangerous driving is determined not by considering the driver's state of mind or intentions, which in the context of driving are often difficult to ascertain, but by examining the nature of the driving. So what does the law do? The law sets out an objective test designed to compare the driving of the defendant in the specific circumstances of the case against what would be expected of a notional careful and competent driver. In general terms, if the court considers that the driving being considered falls far below that standard, and that it would be obvious to a competent and careful driver that that manner of driving was dangerous, then the court will find it to have been dangerous driving.

Claire Perry: Again, I know that it is always dangerous to argue, based on the specific details of a case, for a general change in the law, but how could it not be that gentlemen knowingly racing their cars at speeds of up to 90 mph through a 40 mph residential zone were not falling so far below the minimum acceptable standard of driving and that there was a serious chance of causing serious injury or death, particularly when they were approaching a pedestrian crossing? I understand that the law, in the current level 1, pays particular attention to vulnerable road users such as James, who was crossing a pelican crossing on the night he was killed.

I do not expect the Minister to rewrite the law during the debate, but it seems to me that it is very difficult to explain to Major Gilbey and Mrs Gilbey, and indeed to everybody out there, why this specific case was not a perfect example of gross negligence manslaughter. If we put a consideration of manslaughter in the sentencing code, we would give courts more opportunity to charge people with manslaughter, with the backstop of level 1 death by dangerous driving, which would establish a very strong deterrent to drivers who consider breaking the law in this way.

Mr Gyimah: My hon. Friend is absolutely right. By the way, regarding her previous point about conviction figures, I will examine the statistics and write to her about them. I will not stand here and defend someone in a case where, judging from how things have been described, it does not seem that the punishment has fitted the crime. Obviously, it is not for me to consider such cases; that is for judges to do. However, I will come on to talk about what I think is the remedy for such cases.

Our law needs to reflect that although the harm caused in homicide cases and fatal driving offences is the same—in all of these cases, someone has died—the

offender's culpability for a death may be significantly different; hence the distinction between the two types of case. However, my hon. Friend is asking a different question, which is about the specific case of James Gilbey and why the defendants in that case could not be tried for manslaughter. Shortly, I will say how we can consider such cases.

The second point that my hon. Friend raised was about sentencing and sentencing guidelines. Once someone has been charged and convicted, the sentence that they receive is, of course, a matter for our independent courts. A court decides on the sentence, having considered all the details about the case and the offender; a court is best placed to decide on a just and proportionate sentence.

In deciding what sentence should be given, the courts are also required to follow—unless it would lead to an injustice—sentencing guidelines. The duty on the courts to follow guidelines, and if the guidelines are not followed to say why, leads to greater transparency regarding the level of sentence likely to be imposed and increased consistency in sentencing practice.

To reassure my hon. Friend, I will point out that the independent Sentencing Council, which is responsible for keeping such guidelines under review, currently has in its work plan a review of the guidelines for motoring offences involving death or serious injury. A new draft guideline will be subject to full public consultation in due course.

Liz McInnes: Talking about guidelines, I wrote to the Attorney General about the lenient sentence that my constituent's killer was given and I was told that the judge was acting within guidelines. Also, it is often said that 14 years is the maximum sentence that can be imposed in these cases, but I have not heard of any such case in which anyone has been given more than eight years. Will the Minister explain why judges are acting within guidelines but seem to set a ceiling of eight years for sentences?

Mr Gyimah: The key point here is that these guidelines are being reviewed currently, to establish why, as the hon. Lady hon. Friend contends, judges have not given sentences of more than eight years in these cases. It could be based on the evidence in a case, as the judge saw it, but all these things need to be reviewed. I will come on to talk about a remedy, because there are many different cases involving this issue and many different suggestions from people as to how we should deal with it.

For example, my hon. Friend asked why there was a reduction in sentence for an early guilty plea. That is an interesting point; applying such reductions to sentences is a long-standing practice that applies to all offences, and it has a number of benefits. A reduction in sentence is appropriate because a guilty plea removes the need for a trial, which in turn enables justice to be delivered more quickly; it reduces the gap between charging and sentencing; and, in the case of an early plea, it saves victims and witnesses from being concerned about having to give evidence.

The sentencing guidelines provide a sliding scale of reductions, depending on the point at which the guilty plea is made. The maximum reduction for a guilty plea that is made at the first reasonable opportunity is a third of the sentence that will be imposed; the recommended

reduction falls to 10% when the offender pleads guilty on the day of the trial. Also, where the case against the offender is overwhelming, the guidelines provide for discretion on the part of the judge to give a lower reduction.

My hon. Friend also made another point in this context about early release when she expressed concern that the offenders in this case will be released on licence at the halfway point in their sentence. As she will know, release on licence before the end of a sentence is not new; the current arrangements are set out in the Criminal Justice Act 2003. As a general point, when someone is released on licence there is still a hold over them; if they commit the offence again during their licence period, they will go back to prison to serve the remainder of the original sentence, in addition to the sentence that is imposed for the new offence.

In most driving cases, however, a standard determinate sentence will be imposed by the court and the 2003 Act provides that such prisoners must be released automatically on licence as soon as they have served half of their sentence. Once the offender is out on licence, then—as I have already hinted—they are subject to conditions and liable to be recalled to serve the remainder of their original sentence if they break those conditions. These arrangements apply to all determinate sentences imposed for any offence—for example, they apply to sentences for assault or theft. Consequently, any change for driving offences could result in anomalies arising for driving offences compared with other offences.

That said, different arrangements are in place for offenders serving indeterminate sentences or extended determinate sentences, and for offenders who are of particular concern. It is right that we concentrate our limited resources on ensuring that those offenders who pose a particular and ongoing risk to the public are not released before it is safe to do so, which is the rationale for the current situation.

However, my hon. Friend obviously wants a change in the current situation—she does not want to be told what the current situation is—and I am sure that it is the same for the Gilbey family and the many other families who feel that they are serving a life sentence while the perpetrators of crime get off.

As I said at the outset, there can be nothing more tragic than the loss of a loved one, especially when that loss was avoidable. As the Prime Minister made clear last week, there are deep concerns about the law on dangerous driving and about the sentencing powers currently available to the courts. For too long, these concerns have not been acted upon, so today I reaffirm this Government's commitment to consult on the penalties for dangerous driving offences.

That consultation will begin before the end of the year. Blameless victims and their families must have total confidence in our criminal justice system. To those people, our message is clear: this Government are committed to making sure that the sentences for those who kill or seriously injure other people on our roads fit the crime. I look forward to setting out our plans later this year.

Question put and agreed to.

11.30 am

Sitting suspended.

Online Gaming (Consumer Protection)

[MR ANDREW TURNER *in the Chair*]

2.30 pm

Owen Thompson (Midlothian) (SNP): I beg to move,

That this House has considered consumer protection for online gaming.

First, I probably should declare an interest as an avid gamer myself, which is largely how a number of the topics I will speak about came to my attention, initially at least. I particularly want to draw attention to the protections for children and the UK and international regulatory frameworks, and to consider whether the ever-changing industry is regulated appropriately now and whether provisions have been made to ensure that the legislation can adapt to future developments and challenges.

Gaming has changed a lot since my childhood, when I played on my Super Nintendo and Amiga 1200 and my friends' Mega Drives. Now there is no longer a need for the consoles or games, or even the reams of wire that often came out of the back of the television. Instead, today's gamers often find that purchasing the latest game leads to a further purchase. For example, with "Star Wars Battlefront", gamers buy a season pass if they want to access the full content of the game and they need to spend game currency, which is often bought with real money, to ensure that their character has the best weapons, equipment and experience.

In the 2016 GameTrack survey, only 24% of respondents reported that they gamed on consoles, with 24% playing on computers, 21% on smart phones, 16% on tablets and 11% on handheld devices. The new digital age has revolutionised how we access digital content and how and where we as consumers spend. A staggering 45% of households own either an Android phone or an iPhone and the UK app market is now worth £500 million, with half of that spent on games. UK consumer spending on video games in total is increasing.

According to figures from the Entertainment Retailers Association—the ERA—the total value of consumer sales was about £2.8 million in 2015, up 10% on the year before. Critically, the ERA also found that UK consumers spent £1,899,000—67% of the total—on digital video game media, compared with just £928,000, only 33%, on physical copies of the games. That trend is not confined to the type of content purchased; it is also seen in where customers buy their video games. Only 22% of purchases last year were made in a traditional bricks-and-mortar retailer, which means that the traditional consumer protections that go with owning products purchased by way of a transaction with a retailer do not exist. Instead, we have become consumer slaves to terms and conditions.

As an ever-larger proportion of the games industry moves towards right to access content, in-app purchases and other digital content, it is vital that the law properly protects UK consumers. The change in the industry, particularly in gaming, has been happening for some time. From a few key players in the 1990s, there has been a swing towards small and micro-sized businesses, which now account for 95% of the UK games industry. The change in consumer demand has allowed budding and talented digital entrepreneurs to adapt quickly, and

[Owen Thompson]

the in-app purchase model now represents 76% of the revenue share of UK apps. Although it is right that we should support the growth of the business, it is also vital to support sensible measures to protect our consumers.

On the economy, 21,000 jobs are supported by the industry across the EU, with the UK taking the largest share, at 5,000. Additionally, the core UK video games sector—that is, video games supported wholly or partially in the UK—supports 12,100 full-time equivalent posts of employment, with the UK also enjoying a raft of successes in the industry. In-app development in the UK is performing well internationally, a key example being “Monument Valley” by ustwo studio. Also, “The Room 2”, produced by Fireproof Studios, was awarded the App Store iPad game of the year in Apple’s best of 2012 line-up, and “Candy Crush Sage” by King had reached 500 million installations by November 2013. When considering the performance of the UK, it is interesting to note that on revenue per download figures the UK is the best positioned country in western Europe, with a potential of \$0.47 per download, making the UK more profitable than Germany, the United States and China.

The international markets are crucial to the industry, with 95% of UK games businesses exporting at least some of their products or services to overseas markets. On average, 45% of a UK games company’s turnover is generated from international sales. That becomes crucial in consumer protection, as exporters and importers become the customers, as customers agree to terms they might not expect—or indeed read—and as protections that are in place when someone walks into their local games store and makes a purchase no longer exist.

It took until 2015 to set out in legislation consumer rights regarding digital content. Although I am grateful for the progress that has been made and for the foresight with which the legislation was drafted to accommodate further developments, I fear there are already inconsistencies between the good intentions of the legislation and the markets in which consumers buy, and businesses sell, content. In some instances, transactions take place outside of any monetary transactions, but the consumer could pay dearly. With the recently launched “Pokémon GO”—a popular game that I cannot deny has sometimes seen me battling in the gyms and throwing Poké Balls around—there are some interesting terms and conditions. The data protection clause, for example, states that Niantic restricts users from bringing forward any legal action, should data holders wish to do so.

As for the legislative framework, the main legislation that directly regulates online gaming purchases is the Consumer Rights Act 2015. The Act sets out the basic rules governing how consumers buy, and businesses sell, digital content, including online gaming apps, in the UK. However, it works in terms of international agreements. For example, if an online game is purchased from outside the UK, whether UK consumer protection law or the law of the host country applies depends on the exact terms of the contract entered into by the two parties and also on the buyer’s own terms and conditions, which should stipulate which jurisdiction applies. Although such information must be given to the consumer before the contract is entered into, it is far removed from the easier days of buying a disk or a cartridge for my old Super Nintendo.

The 2015 Act came into force on 1 October 2015. Part 1 changes consumer rules on what to do if goods, services or digital content are faulty. For the first time, consumers’ statutory rights regarding digital content were set out in legislation, following calls by consumers, watchdogs and the gaming industry for such clarity over many years. For the purposes of the 2015 Act, digital content was described as

“data which are produced and supplied in digital form”,

which would include downloadable apps, computer games, films, e-books and computer software. However, there is another side to the consumer contract. At times we give data back and, with widely used apps such as Pokémon, loss of those data can be of little consequence to the data holder, but of huge consequence to the consumer.

Recently, WhatsApp, an app that allows people to have conversations, was at the centre of a data opt-out controversy, whereby unless consumers read a long list of technical terms and conditions, they would automatically be allowing the transfer of some data to Google. Although I and the Scottish National party support fair regulations, I find the mass collection of behavioural data unnerving at the very least.

When such data are collected from unknowing or unwitting consumers, who do not have the inclination or understanding—or, to be honest, the time—to read through long-winded terms and conditions in an agreement about the legality of court arbitration, we must look again at the legislative framework and its ability to adapt. With more and more app providers looking for access to content, and for that to be currency-as-such in a consumer contract, that should also be an essential component of legislation that seeks to protect consumers in that market.

I welcome the attempts of the Consumer Rights Act to rightly define when the legislation can and should be used. I welcome the fact that it clearly sets out that digital content will be regulated when it is

“supplied for a price...supplied free with goods or services or other digital content”,

or is

“not generally available to consumers unless they have paid a price for it”.

To pose a question that will perhaps widen the debate further, what are we using for currency with free apps? We allow those apps to use our photos, favourite places, restaurants, credit cards and where we go and how we go about our lives—our most personal moments and sometimes our most precious. At what point do we draw a line? At what point do we consider that as being the currency for digital content?

The legislation does not yet appear to be working, even in straightforward terms. Even since the 2015 Act came into force as the flagship legislation, consumers have had issues with the most straightforward elements. For example, the games “Dead Rising 2” and “Dead Rising 2: Off the Record” caused quite a fuss among the gaming community. Users have claimed that PlayStation UK will not refund customers who believe the product to be faulty. In the run-up to today’s debate, I was contacted by a number of people who have had similar issues with the recently launched “No Man’s Sky”.

On further research, it seems that the companies’ interpretation of the Consumer Rights Act 2015 varies. A number of individuals purchased the game through

Sony PlayStation's online platform. The game proved to be faulty, and the individuals are now trying to receive redress and money back, but Sony says that it will not do that, because under the terms and conditions the money-back option is available only if they have not yet downloaded the content. If people are purchasing content online and the only way to access it is to download it, it seems to go against the ambitions of the 2015 Act somewhat if a company's terms and conditions immediately count that as beyond terms. That is a particular challenge when accessing a game online: to own it, people need to download it, and to download it, they need to buy it first.

Frustrated users have taken to Twitter to complain that the game crashes repeatedly and that promised features never materialised. Others claim that to request a refund, consumers are required to run through a list of troubleshooting options with a customer services representative before the case is passed over to the PlayStation investigation team, who then decide whether the case justifies a refund. That is an especially important aspect when we consider that some young children can access digital content and at times enter into binding consumer agreements that can have financial consequences for bill payers. That brings into question the ability of the current legislation to impact on that. We have several types of overlapping legislation, with different regulators. Perhaps now is the time to pool the legislation together.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. On the issue of children, does he agree that we need to ensure constant vigilance, particularly when companies package games in ways that are exceptionally attractive to children, who try to pressure their adults into buying added-on features as a result of the initial product they purchased?

Owen Thompson: I absolutely agree. That is one of the critical aspects. I accept that steps have been taken to ensure that free apps are not necessarily advertised as free apps if there are in-game purchases, but that will not satisfy a relatively young child who simply wants to play the full content of the game they have downloaded or bought. If that requires a season pass or the purchase of additional content, it could become difficult to manage that child's demands and expectations and to explain the terms and conditions and why they cannot have that additional content. We need to be particularly vigilant in that area.

Patrick Grady (Glasgow North) (SNP): I, too, congratulate my hon. Friend on securing this important debate. On the subject of children, is it not the case that young children, in particular very young children, will often not even realise what they are doing if they are playing a game and sign up for an in-app purchase or some kind of enhancement? I met recently with StepChange Debt Charity in Glasgow, and it had numerous stories of parents faced with outrageous bills that they had no chance of ever affording. Their children were buying enhancements to the games without realising. Does my hon. Friend agree that as well as regulation, developers have to take some responsibility?

Owen Thompson: I entirely agree with my hon. Friend. The situation he describes is familiar to me. I am aware of a number of cases where that has happened.

I accept that steps have been taken and there have been improvements, but it is still possible for young children, because they are playing these games online, to rack up large bills perhaps without realising what they are doing.

To illustrate the situation further, it is worth noting that the Advertising Standards Authority, which is the UK's independent regulator of advertising across all media, applies the advertising codes, which are written by the Committees of Advertising Practice, and those codes include acting on complaints and proactively checking media to take action against misleading, harmful or offensive advertisements, including media used to encourage children to purchase and/or download apps. Specifically with children in mind, the rules contained in the codes are designed to ensure that adverts addressed to, targeted directly at or featuring children do not contain anything likely to result in their physical, mental or moral harm.

The ASA states that the way in which children perceive and react to ads is influenced by their age, experience and the context in which the message is delivered. It is therefore crucial that the adverts that children see, hear and interact with do not confuse, mislead or directly exhort them to make purchases. That said, with the best will in the world, if a young person is playing a game, they want to be able to access the content. If their friends are advancing faster than they are, it is likely that, regardless of any adverts, they will want to purchase further enhancements so that they can catch up.

This issue is not a new concern. In April 2013, the Office of Fair Trading launched an investigation into the ways in which online and app-based games encourage children to make purchases. It investigated whether there was general market compliance with consumer protection law and explored whether online and app-based games included commercial practices that might be considered misleading, aggressive or otherwise unfair under the legislation. As part of that, the OFT published several publications and sent out a stark warning that the online games industry must improve in this specific area.

In January 2015, "The OFT's Principles for online and app-based games" clarified the OFT's view of the online and app-based games industry's obligations under consumer protection law. The principles focus on how games are advertised to children and state that consumers should be told up front about the costs associated with a game, in-game advertising and any important information, such as whether their personal data are being shared with other parties for marketing purposes. The principles also make it clear that in-game payments are not authorised and should not be taken unless the payment account holder, such as a parent, has given his or her express informed consent. Failure to comply with the principles could risk enforcement action. In the press release that accompanied the publication of its principles, the OFT spoke of its aim to raise standards globally. It said:

"Many games are produced abroad and the OFT has been leading the global debate on these issues. By working closely with international partners, the OFT has ensured that the principles are consistent with the laws of most key jurisdictions to help to raise standards globally."

The OFT also published guidance for parents to help to ensure that children are not pressured into making in-game purchases and to reduce the risk of their making unauthorised payments.

[Owen Thompson]

Specifically, the OFT advice suggests that parents take various actions, including restricting payments, playing the game themselves, and being aware of automatic updates that may change either the game content or the associated terms and conditions. That is clearly sensible and good advice. I would certainly recommend that advice to any parent or gamer, although it is clear that it is not always practical in today's modern world, where recording an appointment or making a call requires an app.

In terms of progress, it is encouraging that the Competition and Markets Authority, which has taken over the functions of the Competition Commission and certain consumer functions of the OFT, has an overarching responsibility for monitoring the gaming app sector to assess its compliance with consumer protection law. The CMA has affirmed the OFT's principles for online and app-based games guidance. However, it is important to note that the original text was retained unamended and so does not reflect or take account of developments in case law, legislation or practice since its original publication. That is a missed opportunity.

In June 2015, the CMA concluded its work monitoring the children's online and app-based games market and referred three online games to the Advertising Standards Authority for investigation on the basis that they may have breached the UK non-broadcast advertising code, by directly encouraging children to buy or ask their parents to buy extra game features. On 26 August 2015, the ASA ruled that both the "Moshi Monsters" and "Bin Weevils" games had breached the advertising code by putting pressure on children to buy a membership subscription and stated that the adverts in each of those games must not appear again in their current form. The third game was referred to the equivalent Spanish advertising self-regulation organisation.

On 4 June 2015, the CMA also published a short guide providing advice to parents and carers about the games, again prompting parents to assess purchases. It also released further information about progress overall. It stated that it had worked closely with the European Commission, the International Consumer Protection and Enforcement Network and national consumer protection authorities around the world and that, as a result, Google and Apple had made changes, in particular to strengthen payment authorisation settings and to ask games makers to stop describing games as free when they contain in-app purchases. Those changes are designed to prevent parents from being landed with unexpected bills from in-app purchases made by their children. The CMA at that point was encouraged by

"positive changes in business practices since we started looking at this sector",

but was

"concerned that some games may directly encourage children to buy extra features during the game."

Therefore, to present the Consumer Rights Act 2015 as legislation that can guide and help consumers and protect children and businesses may at this point be a little ambitious at best.

In noting that last point about the CMA's work, it cannot go without saying that we should value the work of our European partners. My colleagues and I in the Scottish National party are very concerned about the

effect of being taken out of the European Union, not only on our collaboration on issues such as consumer protection, but on the value of our world-leading video games industry. Gaming is one of Scotland's many success stories, from creating the globally renowned "Grand Theft Auto" series to a whole host of other massive successes. There is a huge talent pool available that could see significant impacts as a result of the decision to leave the European Union. Scotland is internationally recognised for innovative game development and for its groundbreaking university courses. Clive Gillman, director of creative industries at Creative Scotland, recently said:

"Scotland's games are played by millions all over the world—there is no doubt that Scotland has played a hugely significant role in establishing this industry as one of the leading forms of entertainment globally."

Looking further into the future, we must address concerns and uncertainties about the status of European-based funding. Horizon 2020 is the European Commission's largest primary funding programme for research and innovation, with a budget of €79 billion. It allocates funding through two-year work programmes administered by the Commission, and includes calls for tenders for interactive entertainment projects such as games. Creative Europe, administered by the European Commission, has a budget of €1.46 billion, of which €3.4 million has been set aside for the development of new video games with high circulation potential. In 2015, the UK was the largest beneficiary of that fund. I would welcome any clarity the Minister could provide on the likelihood of such funding for the games industry continuing in the post-Brexit environment. Concerns have also been raised about the validity of international licences and our ability to affect and be compatible with EU consumer law.

The last point I want to touch on is an incredibly important one. In an industry driven by talent, led by talent and entrepreneurs, we want to encourage a market supported by Government that is fair for both consumers and businesses. Right now, that is being put at huge risk, particularly in Scotland, by restrictive UK immigration laws and, crucially, the status of the post-study work visa. It is simply economic vandalism that the ability to travel, work and study across the EU is now at risk following Brexit, and it is a further lack of judgment by the Home Secretary to refuse Scotland an opportunity to take part in the trial of a new post-study work visa scheme. That is an appalling missed opportunity.

I look forward to the Minister's response. This is a topic on which we could expand at endless length and I very much hope that progress can be made to recognise the ever-moving feast that we see within the games industry. With that, I simply say: game over.

2.55 pm

Patricia Gibson (North Ayrshire and Arran) (SNP): It is a pleasure to serve under your chairmanship, Mr Turner. Unlike my hon. Friend the Member for Midlothian (Owen Thompson), I have to confess that I am not a gamer, but I understand the importance and reach of the industry and the challenges that it poses for us in consumer protection.

We know that online gaming has never been so popular or so important in terms of our leisure and our economy as it is now. UK consumer spend on video

games is increasing. The total value of consumer sales stood at around £2.8 million in 2015, up 10% on the year before. The direction of travel is clear: the industry will continue to grow and prosper, and the figures clearly show that video game consumers spend more on digital content than physical content.

Of particular concern is the way in which online and app-based games encourage children to make purchases. The Office of Fair Trading set out principles stating that consumers must be told up front about costs associated with a game and about in-game advertising, as well as whether important information, such as personal data, is to be shared with other parties for marketing purposes. Those principles further state that in-gaming payments are not authorised and should not be taken unless the payment account holder, such as a parent, has given express and informed consent. Those words are very important. Failure to comply with the principles can lead to enforcement action.

Guidance for parents is also set out to help ensure that children are not pressured into making in-game purchases, thus reducing the risk of their making unauthorised payments. Despite those principles and precautions, the Competition and Markets Authority, following its monitoring of the children's online and app-based games market, had cause to refer three online games to the Advertising Standards Authority for investigation on the basis that the advertising code may have been breached by directly encouraging children to buy or ask their parents to buy extra game features. In August last year, two games were found to have breached the advertising code by putting pressure on children to buy a membership subscription. The ASA ruled that the adverts in those games must not appear again in their current form and that tells us that monitoring must continue to be close and careful.

The OFT noted that it is imperative that the games do not pressure children to purchase and that

“exploiting children's inexperience, vulnerability and credulity, including by aggressive commercial practices”

is simply not acceptable. Increasingly, the gaming industry is moving towards the right to access content, in-app purchases and other downloadable content, so we need to continue to be mindful of enshrining the protection of consumers in law. The video games sector has changed almost beyond recognition, and it is important that the law keeps pace with the innovation and creativity in the industry and how it interacts with consumers. All sensible and practicable measures to protect consumers must be put in place and kept under review by the UK Government in this fast-moving and developing field of technology. The SNP Government will use new, albeit limited, consumer powers to improve consumer rights while simultaneously working to maintain the most competitive business environment possible to allow the industry to continue to thrive.

The funding for this industry, international licences and our ability to affect and be compatible with EU consumer law look uncertain, and the abolition of the post-study work visa, which my hon. Friend mentioned, poses particular challenges for the industry in the post-Brexit era. I will not spend much time on that because my hon. Friend articulated those concerns extremely clearly.

Consumer protection can be challenging in this industry largely, but not exclusively, because of the sheer speed of innovation. We must all be mindful of consumer

protection and keep a close eye on it. Consumers must be protected from harm while being empowered to make good, positive choices. That is the environment we need to create for consumers of online games. I am interested to hear what the Minister has to say about the UK Government's plans to ensure that there is sufficient monitoring. We must strike the correct balance for this thriving industry.

3 pm

Richard Arkless (Dumfries and Galloway) (SNP): It is a pleasure to serve under your chairmanship, Mr Turner. I rise to sum up on behalf of the SNP, but given the attendance in the Chamber, it may be a brief experience. I am disappointed that there are not more Members here so I can draw on their speeches in summing up.

I congratulate my hon. Friend the Member for Midlothian (Owen Thompson) on securing this very pertinent debate. I have got five and six-year-old children at home, and if there were something within consumer legislation that would let me do something about Stampy Cat's voice ringing out from my iPad at 9 o'clock at night, I would be very grateful. That is something intrinsically linked to “Minecraft” and “Grand Theft Auto”, both of which, I am proud to say, were made in Scotland.

I was struck by my hon. Friend's historical tour of how digital games have improved over the ages. I am of a certain vintage and can remember my VIC-20 as a Christmas present and my Spectrum 48, which graduated to a 48-plus. It had a tape that took 45 minutes to load the most basic games, but I thought it was the most incredibly modern and chic thing I had ever had in my life. I was surprised at the comment that only—I say only—45% of households in the UK have a smartphone. People clearly have challenges affording smartphones, but it seems to me that, if not everyone, most people in society have them. I am sure that figure will increase exponentially.

I am a lawyer and the chair of the all-party parliamentary group on consumer protection, and I was very taken by some of the problems with the terms and conditions. There is tension between making the terms in consumer contracts fair and putting them in the terms and conditions. Companies perhaps do not have the opportunity to make people explicitly aware of them as they go through the transaction process, but that still does not mean it is right. As a lawyer, I found the idea that in the terms and conditions one can be prevented from taking legal action based on the contract, and the fact that there is no money-back option if the games are not downloaded, to be baffling in the extreme. To my relatively trained legal eye, there was legislation in place before the Consumer Rights Act 2015. The unfair terms in consumer contracts legislation clearly states that if terms in a consumer contract create imbalances between the parties in favour of the bigger party, they can be deemed unfair contract terms.

Although the 2015 Act consolidated some of those principles, there was legislation already in place, which signals to me that enforcement is the problem. If consumers' rights are clearly codified, and for whatever reason they cannot bring their grievances to a place where they can be fixed, enforcement is the problem. I am interested to hear what the Minister has to say about that. In basic contract law there has to be consensus ad idem—

[Richard Arkless]

a meeting of the minds. That is the most fundamental, basic principle of a contract. If kids in particular are buying online games without that meeting of the minds, I suggest that there is not even a contractual position to fall back on. Enforcement needs to be looked at carefully, and the protection of kids should be uppermost in everyone's minds.

I will not take up much more of your time, Mr Turner. I echo the comments of my hon. Friends the Members for Midlothian and for North Ayrshire and Arran (Patricia Gibson). My hon. Friend the Member for Midlothian made a detailed case, and I would be grateful if the Minister can respond in similar detail. I do not expect him to respond to this, but we are all concerned in Scotland that, having voted to remain in the European Union, we are now going to be leaving the European Union, and that the protections that we want as a society are dropping off the edge of a cliff.

3.5 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to serve under your chairmanship again, Mr Turner. I must explain to the hon. Member for Dumfries and Galloway (Richard Arkless) that this debate overlaps with the Second Reading of the Digital Economy Bill, and some Members who would have been here are undoubtedly there. I have been dashing backwards and forwards between the two Chambers to try to be in both debates.

I congratulate the hon. Member for Midlothian (Owen Thompson) on securing this debate. He emphasised the value that online gaming brings to our economy and to people's lives, and he raised concerns to be put to the Minister. Those concerns are shared across the House, and have been raised in questions to Ministers in recent weeks. My hon. Friend the Member for Redcar (Anna Turley) expressed her concern that "Pokémon GO" players are behaving disrespectfully on religious sites and in cemeteries, and my hon. Friend the Member for Huddersfield (Mr Sheerman) asked what the Government are doing to protect children from in-game selling and promotions when playing games online.

I have no personal experience of online gaming; it is a subculture that involves many thousands of our constituents, although, sadly, not me—I have many other obsessions, but not that particular one. However, I am concerned about protecting our constituents from unscrupulous commercial practices. People, especially children, must not be put in danger by online gaming. Stories of car drivers gaming while at the wheel are alarming and must surely be addressed by stronger punitive legislation and enforcement.

I have seen many people still using their handheld mobile phones while driving, but watching a screen and playing an online game while driving is of a different order and has to be dealt with seriously. That means, of course, that our police need to be ever-watchful and ready to take action in such situations. Recent cuts to police funding have seriously reduced police capability, especially for such offending. Laws must be strict and enforced, and proper prosecutions must be made to ensure that those abuses and the range of offences to which the hon. Member for Midlothian referred are prevented.

On a separate theme, I have long been concerned about obsessive, compulsive and addictive behaviours, and I have raised such matters in Parliament on a number of occasions. Alcohol and drugs are the most high-profile problems, but successive Governments have failed to address them and in some cases have exacerbated them with their actions and inaction. Online compulsions are a more modern phenomenon, and online gambling is now a major contributor to the terrible damage caused to lives and families.

It seems that online gaming has a compulsive and obsessive component, at least for a minority of players, which can be dangerous to the participants and others. Most worryingly, it is sometimes vulnerable people who are most at risk, as recent evidence shows. It is time for the Government to take a close look at addictions, obsessions and compulsive behaviour, at who is affected and at what personal, social and economic damage they give rise to. They must take effective action to counter those dangers. I look forward to hearing what the Minister has to say.

3.8 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): It is a pleasure to serve under your chairmanship again, Mr Turner. I am grateful to the hon. Member for Midlothian (Owen Thompson) for securing this very important debate on consumer protection and online gaming. His gaming experience is clearly of enormous assistance to his day job, and I welcome his expertise. Our shared objective is to ensure that those who buy and play video games are properly protected. I hope I can answer most, if not all, of the questions he put to me.

I want to start by talking about the enormous value that the video games sector has for our economy, including the Scottish economy. "Grand Theft Auto", "Lemmings" and some of the other games that the hon. Gentleman mentioned are among the most successful games anywhere in the world. We are extremely pleased to see strong clusters of games development studios in places such as Dundee and Edinburgh, and we will continue to help to support growth through the UK-wide video games tax relief and our UK games fund. Importantly for the Scottish economy, I note that "Grand Theft Auto V", developed in Edinburgh, was the fastest growing entertainment product of all time. That is an incredible achievement for the people in Scotland who developed that game.

Government statistics published earlier this year show that the creative industries now contribute a staggering £84 billion a year to our economy; that is almost £10 million every hour. We are very proud of our video games industry, which plays a big role in that success, not only in Scotland but throughout the UK, blending the best of British technology and creativity. All around the UK, from Edinburgh down to Brighton, we have world class games creators producing games that are exported all over the globe, and we are working hard to build on that.

Our video games tax relief, for example, is boosting production, creating cultural content and jobs, and benefiting the UK's overall economy. The Government have paid out some £45 million in video games tax relief since 2014, which supported £417 million of new investment in the UK by games companies, clearly making a big impact.

Video games are popular with UK consumers, not just with the hon. Member for Midlothian. In 2015, the UK games market was worth some £4 billion. That includes £664 million on mobile gaming, up 21% from the previous year. It is important that UK consumers can have confidence in their video games purchasing. They should be clear about what they are buying and what their rights are. It is important that consumers have the information they need about video games content, particularly to ensure that children are not exposed to age-inappropriate material.

The hon. Member for Midlothian asked about monetary exchange and for consumer protection rules to apply. He is right that the statutory rights set out in the Consumer Rights Act 2015 do not currently cover content provided in exchange for data rather than money. However, the Government are keeping that under review, so I hope that offers some reassurance.

New types of games technology and content will continue to push boundaries. It is vital that new business models and features are allowed to develop and flourish. Meanwhile, video games developers and publishers must take their responsibilities towards consumers seriously.

We have taken action, as has been pointed out, to improve consumer protection. For example, last year we strengthened the rights of consumers through the Consumer Rights Act, setting a simple modern framework for consumer protection. This means that for the first time consumers have rights when they buy digital content, including online video games. If a video game does not conform to the contract, a consumer can get a replacement or a repair, or they can get a price reduction or their money back if that is not possible, although that is subject to my earlier comments about what is actually purchased.

The Consumer Rights Act also restricts the use of unfair terms in consumer contracts. An unfair term is defined as one which,

“contrary to the requirement of good faith...causes a significant imbalance in the parties’ rights and obligations under the contract to the detriment of the consumer.”

That could include unfair restrictions on consumer rights or business liabilities. A term that takes away the user’s right to file a lawsuit in his or her home country might be deemed unfair in this way. In any event, under EU law, an EU consumer would often be permitted to bring a claim against a trader in the consumer’s home country, regardless of what is stated in the contract itself. If a court decides a term is unfair, it will not be binding on the consumer, and we have recently been looking more closely at the issue of terms and conditions.

We know that many people do not look at terms and conditions and may miss important information. The Government are exploring ways in which they could be made more user-friendly for consumers. We want businesses and consumers to understand each other better and improve behaviours. Earlier this year the Government launched a call for evidence on this theme, and we are now analysing the submissions that were received. We plan to publish the responses in due course.

There has also been valuable work in relation to in-app and in-game purchasing. The Government welcomed the work done by the Office of Fair Trading, now the Competition and Markets Authority, to set out very clearly the legal responsibilities for businesses in this area.

The OFT guidance subsequently published for businesses, “Principles for online and app-based games”, is an invaluable aid for games publishers. The CMA also published helpful guidance for parents reminding them about what they can do to prevent unexpected in-app purchases by their children—for example, by disabling in-app purchasing functions on mobile devices.

I should also like to highlight the positive response of the industry to the CMA’s initiative. Many video games companies worked closely with the CMA on the production of the guidance and have worked hard to promote it within the sector.

We recognise that there have been significant advances in digital technology and the gaming industry since the Data Protection Act 1998 came into force nearly 20 years ago. The Government are reviewing the current regulatory framework to ensure it is fit for purpose for the digital age, while providing suitable data subject rights. The Information Commissioner is the UK’s independent authority responsible for administering and enforcing information rights, providing guidance and advice to individuals and organisations on, among other things, privacy considerations for application developers.

The Information Commissioner has a number of tools at his or her disposal to take action against those who breach the legislation. Powers include the ability to conduct audits, serve enforcement notices and impose civil monetary penalties of up to £500,000.

The hon. Member for Midlothian asked me about children’s safety. I want to stress the Government’s commitment to help ensure that younger consumers are protected from harmful content. We have a robust age rating and labelling regime for video games sold in physical formats such as on discs—or “boxed products”, as they are known in the trade. All such games must by law carry an appropriate PEGI age rating if they are unsuitable for younger children. It is an offence to sell a PEGI 12, 16 or 18 rated boxed product to anyone not old enough.

PEGI ratings are well recognised in the UK and across Europe. They give consumers, particularly parents, the information they need to manage content choices for children. For protecting children from inappropriate material in online and mobile games, which is a global market, the focus is on self-regulation by games developers, publishers and platforms. We welcome the age ratings and other content advice that games developers and publishers are increasingly now adding to online and mobile video games. That includes the international age rating coalition initiative, which has, for example, led to PEGI ratings now being applied to all apps and games supplied through Android-powered devices and through Windows Store.

“Pokémon GO” has been a phenomenon all over the world. It is enjoyed by many in the UK, and most people act responsibly while playing. I have come across people playing “Pokémon GO” when I have been out walking the dog. Indeed, my daughter managed to get me to catch a Pokémon, who I believe was called Fire Fang. There are lots of exotic names in the “Pokémon GO” sets if anyone wants to have a look. It is important that players abide by the law and respect their surroundings.

I understand that during the summer “Pokémon GO”’s developers, Niantic, added some new warnings to the game’s loading screen—for example, reminding

[Mr Rob Wilson]

players not to trespass and not to enter dangerous areas. Officials have contacted the game's developers to discuss features of "Pokémon GO" and the advice they provide to consumers in the UK.

This is a complex landscape, as the hon. Member for Midlothian explained, but I believe we are doing good work to protect legitimate businesses, to enable innovation to happen, and to keep consumers confident and safe. I assure all hon. Members that we will not be complacent. We will continue to work together with the industry to adapt the landscape as the video games market inevitably continues to develop, possibly in ways we cannot yet imagine.

3.20 pm

Owen Thompson: I will be relatively brief. I thank hon. Members for their contributions this afternoon. This is a very important issue. It is critical that we keep on top of what is an ever-moving feast and adapt to the changes as they come, including those that, as the Minister said, we may not even be able to predict yet.

I am encouraged by the Government's response, which demonstrates that there is no complacency. I welcome that, and I think all hon. Members will be reassured by the steps that have been taken to continue monitoring and look forward. Since I became an MP, I have not been able to game quite as much as I might like to, or as much as I was used to, but if the Minister keeps at it, he might capture a Pikachu one of these days and become a Pokémon master.

Question put and agreed to.

Resolved,

That this House has considered consumer protection for online gaming.

3.22 pm

Sitting suspended.

Post Offices in Wales

[MR PHILIP HOLLOBONE *in the Chair*]

Mr Philip Hollobone (in the Chair): Prynawn da. Good afternoon. On the hottest September day for almost 100 years, I ask the hon. Member for Wrexham (Ian C. Lucas) to move the motion.

4 pm

Ian C. Lucas (Wrexham) (Lab): I beg to move,

That this House has considered post offices in Wales.

It is a real pleasure to have you here speaking your excellent Welsh on this fine September day, Mr Hollobone, and to speak to you and to those assembled on the issue of post offices in Wales. As constituency MPs, we all know this is a matter of great importance to the people we represent.

It is important at the outset to recall that post offices are a great public institution and that they remain a public institution. There is a deal of confusion at the present time about the various statuses of Royal Mail, post offices and so on following the privatisation of Royal Mail, but the Post Office is, of course, still a public institution that is fundamentally owned and run by the Government. It is for that reason that I feel particularly animated by events occurring in Wrexham at the present time relating to our post office. Not just in Wrexham but across Wales, various proposals are being put forward that affect access to post offices for the people we represent.

As those of us who have been here for a number of years know, a number of bright ideas concerning post offices have led to reorganisations and various moves of post offices in recent years. As someone who bears the scars of the reorganisation that took place under the last Labour Government, I can point out that I opposed a number of closures locally. I regretted them then and regret them now, but they were taken forward by the Labour Government before 2010.

This particular case in Wrexham has animated me even more than those moves before 2010 because I think it is very important that all of our constituents should have access to a post office. That is not just my view; it is also the view of the Minister for Disabled People, Health and Work, the hon. Member for Portsmouth North (Penny Mordaunt). I wrote to her concerning this issue and she said in her reply:

"Facilities and services that need to be accessible to a wide spread of the general public, such as Post Offices, should ideally be located at ground floor level."

Following a move of the post office in Wrexham town centre a number of years ago to a site in a pedestrianised area of the Post Office's choosing, which the Post Office initiated, it has now decided it wishes to leave. It has moved a distance of only some 200 metres or so to another premises within Wrexham town centre. My main concern is that those premises are at first floor level and are situated within another shop—WHSmith—and are accessible to those who cannot go up the stairs only by a single lift at the rear of the premises. Quite simply, access arrangements for the post office are now much more difficult than previously, particularly for those who are disabled. I think, in the 21st century, that that is fundamentally wrong.

The post office and WHSmith staff who have dealt with me on this issue have been courteous throughout, both with me and with those I represent, but they cannot change the fact that the decision is fundamentally wrong. We have gone through a process that has been called a “consultation”. I was notified at the beginning of the summer that the move was going to take place and asked if I wanted to make any representations, which I did in writing as well as by meeting with representatives of the Post Office to express my strong disquiet that the premises was being moved to a first floor. Notwithstanding the strong views I expressed, I received no indication whatever that there would be any change of view.

I was also contacted by a number of my constituents through our excellent local voluntary organisation—the Association of Voluntary Organisations in Wrexham. I met with the disability access group in Wrexham and we discussed our concerns about the move. AVOW runs a Shopmobility project within Wrexham and has a number of clients that regularly use Shopmobility scooters to facilitate access within Wrexham town centre. Those Shopmobility scooters can be quite bulky on occasion and are often used by some of the most disabled members of our society. There was particular concern about moving around the store using scooters and the accessibility of the lift to get to the post office.

We arranged a site visit to the post office with the disability access group and, again, the post office and WHSmith staff were very helpful in organising the visit and were helpful and courteous throughout. I attended the store before the new post office premises opened with one of my constituents who uses a wheelchair, two other constituents who were using Shopmobility scooters and a number of other disabled constituents. We negotiated our way through the ground floor of the store to gain access to the lift and, one by one, the constituents were able to go into the lift—only one could go in at a time—and go up to the first floor to inspect the post office premises.

It was difficult for a number of my constituents to negotiate their way through the store downstairs to get to the lift, which is not very large and can hold only one person. Frankly, I was ashamed when I went to the store and saw how difficult it was for the individuals concerned to gain access to the post office. This is a post office that has always been on the ground floor in Wrexham town centre and has been moved by the Post Office, presumably for commercial reasons, to its new premises.

Within Wrexham town centre, like many other town centres nowadays, there are a number of empty ground floor premises. The previous post office premises and the current one are only 150 to 200 metres apart, and a number of ground floor premises are available for use as a post office, but that has been rejected by the Post Office.

Chris Evans (Islwyn) (Lab/Co-op): I apologise for coming late to the debate, Mr Hollobone; I was held up a little bit. My hon. Friend from Wrexham raises a pertinent point. In Pontllanfraith in my constituency we are losing our post office; a campaign has been set up by councillors Gez Kirby, Mike Adams and Colin Gordon and it has attracted over 300 names. The real issue we have is that there is a lack of commercial help from the

Post Office. When the sub-postmaster finds that business is slow, the Post Office needs to come in and give ideas on how to improve the business. Another post office in the constituency has come to me to say it is having serious problems. Having seen the post office move to a first floor in Wrexham, does my hon. Friend recognise that the post offices perhaps need to take a more commercial approach to their business?

Ian C. Lucas: I would like the post office in Wrexham, as a public institution, to contribute to the local economy. It is a Crown post office in Wrexham, and it is the main post office. In fact, it is now the only post office in the town centre of Wrexham, which is the largest town in Wales. The post office is taking business rates away from the local economy, because it has gone upstairs into another store that is already occupied by a WHSmith and is not paying business rates on a separate premises. So less income is coming into the town as a result of this decision. Furthermore, it is treating disabled people with a lack of respect by insisting that they go to a first-floor premises to avail themselves of services that we all take for granted.

There are relevant pieces of legislation relating to disability. I have no doubt that this particular example is legal, but there is no doubt either—I have seen it for myself—that these arrangements are much more difficult for disabled people than those that existed previously. I felt so ashamed when I went on the site inspection that we have a post office in this day and age insisting, for its own commercial reasons, on moving the premises to the first floor when ground-floor premises are available in other parts of the town. That is disrespectful to disabled people and not something that any Government organisation should be doing in this day and age.

I have made that position very clear to the Post Office, and I am pleased that the Minister for Disabled People has made clear her view that post office premises should be on the ground floor. I find it extraordinary that I even have to say that. It comes to something when a commercial decision of that type is made in a society where we should be treating all our constituents and all the people we represent with equal respect. I know that the Post Office is considering shifting various post offices to first-floor premises in other parts of the country, for commercial reasons. It is very important that a strong message is sent to the Post Office that it is not acceptable so to do.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): I congratulate my hon. Friend on securing this important debate. I face similar concerns in my constituency about proposals to move the location of post offices. Does my hon. Friend agree that it is essential that the Post Office pays due notice to the consultation process? It is imperative also that the views of local communities in these situations are taken on board and not disregarded.

Ian C. Lucas: Indeed. There is no doubt that my constituents, particularly those who are disabled, feel very strongly about this issue. They have visited the post office on a number of occasions to make clear their views. They have supported me in the protestations I have put forward, and I will continue to put them forward, because I want the post office in Wrexham back on the ground floor. I also want the Post Office to

[*Ian C. Lucas*]

give a commitment that it will not allow post office premises to be constructed on the first floor when ground-floor premises are available.

I am ashamed that I have to make those points to the Post Office; it should be using ground floor premises in any event. I hope that the Minister will be able to give me the assurance that I want to relay to my disabled constituents—that they will be treated with equal respect, despite the fact that they are disabled.

4.14 pm

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): It is a pleasure to serve under your chairmanship, Mr Hollobone, on this very warm September day. May I pay tribute to the hon. Member for Wrexham (Ian C. Lucas) for securing this debate? This is an important issue that affects all of us in Wales and in other parts of the country. We all recognise that post offices are an important part of civic life and provide a service that is invaluable to many of our constituents. May I also pay tribute to him for not being partisan in his opening comments? He acknowledged not only a rebellion between 2001 and 2010, when a significant number of post offices were closed, but that the reduction was unfortunate—and, indeed, possibly a mistake.

From a general perspective, it is important to point out that there has been significant stability in the post office network throughout the United Kingdom since 2010. This Government have committed to have 11,500 post offices within the post office network—a figure that has been maintained—with an investment of some £2 billion between 2010 and 2020. That is a significant public investment in the post office network. Wales has seen a slight decline of some 4% in post office numbers since 2010, compared with a decline of 34% between 2001 and 2010.

In general terms, the aspiration to protect the post office network is something on which this Government and the previous coalition Government have come up to the plate and delivered. I believe that the aspiration to carry on protecting the network in a Welsh and UK context is shared by Members on both sides of the Chamber today. The overall picture is one of significant investment and, it should be stated, one of a reduction in the subsidy required to maintain that network.

Chris Evans: I hear what the Minister is saying, and it is good news that we all share the same aspiration to save post offices where we can. When postmasters come to me and say that their post office is under threat, the major issue is business rates. Have the Government looked at any ways of reducing business rates specifically for post offices?

Guto Bebb: Clearly, business rates will vary from business to business, depending upon the area. Certainly business rates are an issue for many small businesses in the Welsh context, and the Wales Office is very happy to raise with the Welsh Government the need to ensure that we have a structure in place that is beneficial to small businesses.

There is a commitment to protect community post offices and, indeed, to invest in modernising them to ensure that they provide a service for local communities.

It is worth pointing out that where community post offices are lost, they are quite often replaced by a mobile service. In my constituency of Aberconwy, a number of rural villages are now served by a mobile post office service.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I will make only a brief intervention, as I know the Minister will want to answer the points raised by the hon. Member for Wrexham (Ian C. Lucas). In relation to the recent reforms, one issue that has arisen is the designation of sub-post offices, especially in some rural communities. For instance, we have a fantastic post office in Llangadog, but it has lost its community post office status, which means a loss of around £8,000 a year in grant. It has been designated a post office local because there is another shop in the village that could offer different services. The Post Office is playing businesses off against one another. Does the Minister agree that it is time we had a look at that and worked to strengthen those community post offices, giving them the support they need to expand the services they offer?

Guto Bebb: The hon. Gentleman raises an interesting point. It is difficult for me to comment on the particular situation in the village he mentioned, but in terms of the overall picture, the commitment to community post offices has been strong. For example, where a community post office is transferred to new ownership, the community status is maintained. I am more than happy to take representations in written format in relation to the particular village in question, but it is difficult for me to comment at this point in time.

Out of courtesy to the hon. Member for Wrexham, I should say that, although this is a debate about post offices in Wales, his comments were primarily about disability access in Wrexham. I understand the situation there. I was in Wrexham last Friday morning, speaking to a business professionals group, and Wrexham is in a very interesting situation. It is a thriving town in many ways, but there have been a number of retail developments in parts of Wrexham that have changed the centre of gravity on the high street.

I know Wrexham fairly well, having been born in the vicinity a long time ago. The changes on Wrexham high street are a concern to the hon. Gentleman; I fully appreciate that. I am also well aware, from reading the north Wales papers that he has highlighted, of the number of empty premises in Wrexham. It is important to note that the post office in Wrexham remains a Crown post office. Unlike the many agreements with WHSmith, the post office is run by Post Office members of staff. It is hosted by WHSmith but remains an independent Crown post office.

The hon. Gentleman's summary of how the public consultation took place is similar to that provided by my officials. There was a six-week consultation period, which is par for the course when there is a possibility of moving a Crown post office to new premises. There must be a plan in place for accessibility. I understand that fewer than 10% of such moves have resulted in a post office facility being on the first floor, but the hon. Gentleman said that any such move is unacceptable.

It is important to note that the Post Office works within its own guidelines. That ensures that there is an assessment of accessibility, and I am more than happy

to share those guidelines with the hon. Gentleman if that would be helpful. In addition to following the guidelines, it is necessary to consult and to ensure that people with disabilities have an opportunity to see whether the facilities work, and I understand that the hon. Gentleman attended when that opportunity was afforded. He highlighted that he felt ashamed of what he saw. I am surprised that that disappointment was not reflected in the consultation process. His concerns were not fed back in the wider consultation process.

The question of whether there should ever be a post office on a first floor has been highlighted, and the accessibility issue includes accessibility in terms of the law and the guidelines. The Post Office assures me that on both counts that is the situation in Wrexham. I take fully on board the comments of the hon. Gentleman, but highlight the fact that the process has been followed in accordance with the Post Office's guidelines and ensuring accessibility. The hon. Gentleman is clearly of the view that that is unacceptable, but his comments have been heard by the Post Office today.

Ian C. Lucas: I objected to the proposal. I visited the store the day before the post office was to open, which was after the decision had been made. Only at that point did I see what the arrangements were because they had not been constructed at the time of my initial objection. That is when I was ashamed of what I saw. It was the first time I had seen them.

Guto Bebb: I am grateful for that clarity and, again, I have no doubt that the hon. Gentleman's comments will be noted.

I understand that since the post office relocated on 18 August, seven customer satisfaction feedback forms have been completed. All have been positive and, again, this issue has not been raised. In addition, it is worth pointing out that the early indications are that footfall at the new post office in Wrexham has increased and customer usage of the facility has increased. I stress that it has been open for only a month and I fully understand that these are early days. The hon. Gentleman still has his concerns but the initial feedback seems to be constructive and positive. I am not in any way ignoring the real concerns that he has raised, but the initial feedback seems to be quite positive.

I should highlight the fact that there is an alternative option in the post office in Wrexham; if someone is unable to access to the first floor facilities, there is a portable till point on the ground floor. That service is made available when any post office counter is on the first floor. I understand that during the month the post office has been operating from WHSmith in Wrexham, that portable facility has not been used, but it would be

manned by post office counter staff from upstairs, not by anyone working for WHSmith downstairs. The service would be equivalent to that available upstairs, as would the training required.

It is important to have debates on situations such as that in Wrexham. It is crucial that a service provided to the general public and our electors by the Government with taxpayers' support is debated in Westminster. We all have our concerns when we hear of post offices being relocated. I had a similar situation in the summer when the Crown post office in Llandudno was relocated to WHSmith, but on the ground floor.

I think I am right in saying that the main concern in Wrexham is not whether the service is of equivalent value or whether the same service is available. The real concern is accessibility. All I can offer the hon. Gentleman is my assurance that the Post Office has operated under its own guidelines and within the law. However, this opportunity to express some of his concerns and those raised by some of his constituents is the right use of this Chamber and ensures that the Post Office hears those concerns.

I turn to other comments that have been made. I emphasise that in general the Post Office is a success story in the Welsh context. We have an obligation to ensure that those services continue at a level that ensures that the needs of people in all parts of Wales are dealt with. It is worth pointing out that 90% of the post offices in Wales that are eligible for the modernisation programme have been through that process. That is a high and positive percentage. There are individual cases that cause concern to Members, but it is fair to say that the overall position is positive and we should be proud of it.

In addition, we should acknowledge the significant work that the Post Office has done to ensure that the provision of services is as good as it has been during a period when the subsidy paid by the Government has reduced considerably. We have a leaner, more efficient and more effective Post Office, yet there has been only a very small fall in the number of post offices operating in Wales since 2010.

I can offer no significant assurance to the hon. Gentleman about the situation in Wrexham, but I am sure we can share the Post Office guidelines with him. He can then discuss the provision in Wrexham and communicate the basis on which the process was undertaken to his constituents who are interested, and in some cases distressed, by the changes.

4.27 pm

Sitting suspended.

Funding for the Arts

4.30 pm

Mr Edward Vaizey (Wantage) (Con): It is a great pleasure to appear under your chairmanship, Mr Hollobone. In fact, it is the first time in six years that I have appeared in order to propose a motion in Westminster Hall, so you can put that on your already extremely distinguished CV. It is also a great pleasure to talk about the arts, which has been a passion of mine all my life and has been—

Mr Philip Hollobone (in the Chair): Order. The right hon. Gentleman actually has to move the motion.

Mr Vaizey: I am already moved, but I will move the actual motion. I beg to move,

That this House has considered funding for the arts.

Thank you for pointing that out, Mr Hollobone, and emphasising how out of touch and rusty I am at speaking from the Back Benches.

John Nicolson (East Dunbartonshire) (SNP): Hear, hear.

Mr Vaizey: I am glad to have the support of the Scottish National party on that issue, as I do on so many others. It is worth pointing out, with the very distinguished spokesman for the SNP, the hon. Member for East Dunbartonshire (John Nicolson), here, that broadly speaking I will be talking about funding in England. No doubt the SNP spokesman can talk about funding in Scotland and he will tell a great tale that the Minister will rightly treat with some scepticism; he will point out that the Scottish story is not as great as the SNP would make out.

Anyway, back to England. I was lucky enough to serve as the Minister responsible for the arts for six years, until I left the Government in July. I warmly welcome the new Minister to his position and want to tell him that he need have no worry about my being a backseat driver. I am not planning to leave Parliament to give him the space that he needs to develop his position, but I am certainly not planning to second-guess what he does in his new role. I know already how talented he is, but those of us who leave Government perhaps not of our own accord do not have the chance to make a resignation speech, so perhaps I can treat this motion as a review of some of the things that I did as an Arts Minister and explain why I think there is an opportunity to increase Government funding for the arts.

The arts in England in particular, but also in the UK as a whole, have always relied on what is known as the mixed economy. We are relatively unique and very lucky, in that our arts organisations depend not just on straight Government funding but also, obviously, on their income and on philanthropy. In the last six years, we as a Government worked hard to encourage philanthropy, and arts and heritage organisations responded in kind and raised a great deal of money. Schemes such as Catalyst, which introduced match funding, enabled them to raise additional money from private donors.

Kelvin Hopkins (Luton North) (Lab): I will just point out to the right hon. Gentleman that the level of public funding for the arts in Britain is lower than that

in most continental European countries and below the European average. I think the Government ought to look at that.

Mr Vaizey: I will take that point when I come to address the levels of actual Government funding. I was talking about the mixed economy and pointing out that arts and heritage organisations have responded brilliantly, by not only raising private money from donors, but raising what is in effect commercial income from ticket sales, sponsorship and the like. In fact, for most successful arts and heritage organisations, Government funding is only a small proportion of their overall funding. Having said that, I believe that Government funding is vital. It is vital in providing core funding support for many of our most popular and successful arts organisations, as well as smaller arts organisations all over England. It is also vital in attracting additional money. A grant from the Government, Arts Council England or the Heritage Lottery Fund is a great vote of confidence that ends up acting as a catalyst for attracting private sponsorship and commercial funding as well.

We are very lucky in this country to have not only the mixed economy, but very talented arts and heritage leaders. I pay tribute to the people I worked with at the Arts Council: people such as Liz Forgan and Peter Bazalgette as chairmen of the Arts Council and Alan Davey and Darren Henley as chief executives. I am incredibly pleased to see that Sir Nicholas Serota is taking over from Peter Bazalgette as the new chairman of the Arts Council. Again, that is a great vote of confidence in the condition of the arts today.

When we came into government, we did have to impose cuts on the Arts Council, but in my view those cuts were misinterpreted. We kept to a minimum the cuts in money that actually went to arts organisations through grant in aid. We did stop some very expensive programmes and reduce the overall bureaucracy of the Arts Council, but the money going to arts organisations was reduced by far less. The amount of money going to arts organisations through the national lottery was increased significantly, by hundreds of millions of pounds.

It is also worth pointing out that in the last couple of years the then Chancellor of the Exchequer, my right hon. Friend the Member for Tatton (Mr Osborne), began to introduce tax breaks for arts organisations. I understand that the theatre tax break, for example, is now worth some £25 million to theatres in England. The orchestra tax break, which is just coming into play, will no doubt have a similar impact, and I know that the Government are taking forward plans for an exhibitions tax break as well.

Nevertheless, there have been cuts. The point I wanted to make was that the arts organisations that have had to deal with those funding reductions—as with many other sectors, covering every part of Government, that have had to deal with funding reductions—have responded brilliantly.

In my opinion, the heritage industry has perhaps been treated rather worse, because it suffered cuts under the last Labour Government and we did not protect it additionally when we came into office. The overall grant for English Heritage, now known as Historic England, has been significantly reduced, curtailing its ability to carry out vital heritage regulation. Nevertheless, the new model that the Government have put in place,

putting the historic buildings and monuments that English Heritage was responsible for into a separate charity, along with a very generous capital endowment, will make a big difference. I pay tribute to people such as Simon Thurley, who led English Heritage for much of my time as a Minister, and to the current chairman, Laurie Magnus, who has done a brilliant job in making that split happen and providing a confident future for heritage.

Nevertheless, heritage funding is not as high as it could be. There have been individual programmes that have made a difference. As a Minister, I tried to go to the then Chancellor with individual programmes to draw in additional funding and I was successful—for example, with the capital programme for cathedrals. I should say, of course, that heritage did benefit from, again, a significant uplift in lottery funding, which has made a massive difference, because obviously heritage projects require a lot of capital funding in order to fund improvements.

Then we come to our wonderful national museums. They are national, serving all parts of the United Kingdom, but they, too, have seen a significant reduction in funding, while all the time maintaining free access to the national collections. Again, they have responded magnificently. I cannot think of a set of national museums anywhere in the world that have the prestige that ours do. They have seen their visitor numbers increase successfully. Take a museum such as the British Museum or Tate. These are world-leading museums, attracting millions of visitors every year and highly regarded throughout the world. It would take too long to list all the incredibly distinguished directors whom I was lucky enough to work with, many of whom continue to run our national museums, but again, if people want to see an example of a sector that has responded brilliantly to straitened financial circumstances, I think our national museums represent that.

The arts are resilient. The value of the contribution of arts and culture to our economy has increased by one third. They have increased the revenue that they earn, they have increased the money that they bring in through philanthropy, and they make ever more impacts in other parts of life, whether through cultural diplomacy—our calling card around the world—or impacts on health, the criminal justice system or education. The arts and our heritage sectors deserve support. There was—I do not think I am underestimating—an outpouring of joy from the arts and heritage sector at the last spending review in November 2015 when the then Chancellor announced that he was not going to make any cuts at all to the arts and heritage. That is the position we had arrived at. It was not just that he was not going to make any cuts; it was the way he put his position in his statement. He said:

“One of the best investments we can make as a nation is in our extraordinary arts, museums, heritage, media and sport.”—[*Official Report*, 25 November 2015; Vol. 602, c. 1368.]

He also said that

“deep cuts...are a false economy”.—[*Official Report*, 25 November 2015; Vol. 602, c. 1368.]

I agree with him and am glad that in that last settlement the then Chancellor recognised—as I think the arts and heritage sector took his meaning to be—that we had come, as it were, to the floor of where we were going to come to.

Kelvin Hopkins: Briefly, I strongly support what the right hon. Gentleman is saying. In the last few days, he may have seen a television programme about Cambodia. They are trying to revive their culture after the terrible predations of Pol Pot and his people, and their simple slogan is “No culture, no nation”. Culture is how we define ourselves and it is absolutely vital that it is preserved.

Mr Vaizey: That is so true and that is why I am so pleased that this Government also brought into being the cultural protection fund—£30 million of funding that is available to preserve the culture and heritage of other nations. In fact, all told, if we add the individual programmes to the core funding of heritage, museums and arts, we have a fantastic story to tell, both in the financial support of the arts and heritage, and in the range of programmes that this Government have supported.

Local authority funding is always a huge issue. I have to say that I am more robust on this than I am on other issues. Local councillors are elected by local people and they have the freedom to spend their taxpayers’ money as they see fit. I do not support statutory funding or statutory requirements for culture in a local area. I think that wise local councils should support the arts and heritage in their areas and understand the impact they have.

Thangam Debonnaire (Bristol West) (Lab): The right hon. Gentleman is making a good point, but what does he think about how local authorities are expected to cope with keeping their arts budgets at a static point? I have to say that Bristol has managed it, and I am proud of that, but most are struggling because of the cuts to their grants from central Government. Would the right hon. Gentleman care to comment on that?

Mr Vaizey: One of the things we wanted to do in the culture White Paper, which I published before I left the Department for Culture, Media and Sport, was to take forward a partnership with local councils showing how the arts and heritage play a huge role in place-making and how different funding streams—not just the core funding stream from Department for Communities and Local Government or via the Arts Council—could help to support arts organisations. There is a lot we can do. Things like the UK capital of culture programme, for example, are great ways of galvanizing local authorities into taking their arts and heritage more seriously, but there are still bad news stories. For example, I was depressed to learn this week that Walsall is thinking of closing the New Art Gallery Walsall, which I regard as a great cultural institution.

I do not want to be a backseat driver. I wanted to use this debate to praise our arts and heritage sectors and what they have achieved, and to look briefly forward at what can be achieved in the future. Last week the Minister announced the museums review. That is a great opportunity to put our national museums, and some of our key regional museums, on a secure footing and to make absolutely clear what the relationship is between central Government and our national and regional museums and also what central Government are prepared to fund as core support and what they would expect national and regional museums to raise for themselves. Similarly, with the review of the Arts Council and other organisations that may take place

[Mr Vaizey]

shortly, I hope the Minister will think deeply about the core level of funding that the arts and heritage should receive.

A new Government, with fresh Ministers and renewed energy, have a chance to put arts and heritage funding on a secure and core footing. I am not asking for the earth. I am not asking for a 100% increase in core arts and heritage funding. A small and modest increase would not only make a significant difference to the arts and heritage; perhaps more importantly, it would stand, as the words of the then Chancellor showed in last year's autumn statement, as an extraordinary vote of confidence in some of the greatest organisations we will find anywhere in the world, and that vote of confidence would be repaid many times over.

Mr Philip Hollobone (in the Chair): This is an hour-long debate, so we are due to finish at 5.30 pm. The guidelines are that the SNP Front Bench is allowed five minutes, Her Majesty's Opposition are allowed five minutes, the Minister is allowed 10 minutes and then Ed Vaizey is allowed three minutes to sum up the debate at the end. Therefore, I want to call the Front-Bench speakers no later than seven minutes past 5 and there are three Members seeking to speak, so I am going to impose a time limit of six minutes, which will ensure that everyone gets in.

The first speaker is going to be Deidre Brock. I have had a nice note from the SNP Whips Office, and I think she is dangerously over-qualified to speak because it says that she

"was formerly the Deputy Provost responsible for Arts and Tourism on the City of Edinburgh Council, and is a former actor."

4.46 pm

Deidre Brock (Edinburgh North and Leith) (SNP): Thank you, Mr Hollobone; it is a great pleasure to serve under your chairpersonship.

There is a little point in the Library briefing for today's debate that should, perhaps, be clarified. That point is that the Scottish Government fund our national performing companies separately from Creative Scotland: the National Theatre of Scotland, Scottish Opera, Scottish Ballet, the Royal Scottish National Orchestra and the Scottish Chamber Orchestra are all funded directly, unlike their counterparts in England. The arrangement began in 2007, which explains the drop in funding to what was the Scottish Arts Council at that time.

Those companies create and perform some remarkable pieces, giving much more value in return for the investment than we might have expected. It is unfair to single out any one of them but I am going to, having seen a performance of theirs recently at the National Theatre on the south bank: "Our Ladies of Perpetual Succour" by the National Theatre of Scotland. The National Theatre of Scotland has produced some stunning pieces and is internationally acclaimed for its imagination and bravado—a legacy of Vicky Featherstone's time as its inaugural artistic director. She was an inspired and inspirational choice and one for which we should thank Robert Findlay and the board.

Scotland's national companies are a fine example of getting fantastic value for money from arts funding. The continued support of the Scottish Government,

though, is getting harder and harder to deliver as their own budget gets hammered time after time by this UK Government. As has been mentioned, the same is true for local authorities the length and breadth of these islands. Their ability to support arts spending in their areas will be severely limited by the perpetual squeeze of a Government obsessed with austerity and lacking, it sometimes appears, any real comprehension of what austerity is doing to services, including cultural services, provided by central and local government.

Birmingham is a fine example—local politicians forced to cut their culture budget by a quarter in a city that is proud of, and has promoted, its cultural side to great effect in the recent past. In 2012, Newcastle announced its intention to impose a 100% cut to its culture budget; that was, after a UK-wide outcry, eventually pegged back to a mere 50%. Once councils are cutting back so drastically, the services start to move towards a point where they will not be recoverable if resources become available again in the future. It moves to a point where rebuilding those services from scratch will be the only option—and that is only if the resources to do so become available.

As Mr Hollobone mentioned, I do not speak of this in the abstract but from experience. Before I came here I was a councillor—convenor for culture and sport—in Edinburgh, the city that is host to the world's biggest arts festival every August. For five years I had the task of trying to balance the books for the city's cultural activities. Trying to develop the cultural ambitions of a city while firefighting the effects of a diminishing budget is a thankless and unending task, and my sympathies lie with the councillors and officers who are having to try to do that in every local authority just now.

The judgment that is so often made, it seems, is that arts and culture spending is a luxury that can be dispensed with more easily than other spending commitments—that support for theatres, galleries, museums and libraries is a little indulgence that we should jettison at the first tightening of the belt. Public art becomes something to be mocked, rather than a vital part of the wellbeing of communities.

When that happens—when we allow the spend on culture to drop—we start to strip away from communities some of the social cohesion that makes everyone's lives better. Whether it is about offering art that people can appreciate or offering them the chance to become part of the art of an area, the opportunities are about allowing and encouraging people to be part of something bigger, something more than themselves. It is about giving people the chance to lose themselves in the glory of something beautiful and dynamic and offering them the chance of learning something new, feeling something new, dreaming something new. Funding for culture is not a frivolity, nor is it a decoration; it is a vital part of what makes us who we are and what makes our society what it is.

From small-scale community events and amateur dramatics in church halls to touring orchestras and exhibitions of great works, the engagement of people in art is an enterprise whereby the benefits far outweigh the investment required. We risk much more than jobs when we put that enterprise to the sword. Each cut to culture spending is a cut to society, just as cuts to health provision or education provision are. We should ensure that the investment continues and that it is distributed across communities everywhere.

Yesterday, I had a look at the English Arts Council's website, where there is a warning for anyone who cares about England's culture: the funding distribution, in my opinion, is far too London-centric. London, with only 16% of England's population, has 45% of all the organisations in the national portfolio of Arts Council England, and those London organisations take 40% of its funding to service that 16% of the population. That will include funding for the national companies, but if people value the benefits of cultural spend they will surely want to share it more widely. There is no reason why the national companies have to be in London. Take a leaf out of Scotland's book: share the national companies with other cities, spread the funding more widely, involve more communities and help more people.

The investment in art is worth every penny and worth every debate that is needed to get it made. It is time to dump austerity from every part of public spending, but it is definitely time to dump it from arts spending.

4.52 pm

Will Quince (Colchester) (Con): I congratulate my right hon. Friend the Member for Wantage (Mr Vaizey) on securing this important debate.

Great art is everywhere in the UK, including in my wonderful town of Colchester; it is absolutely not only the preserve of London. I have long argued that funding for the arts is not sunken costs. Investment in the arts has a real economic benefit to our towns and cities—and even if that were not the case, we could look to the role played by the arts in tackling social exclusion, education, communication skills, loneliness, mental health issues, promoting the creative industries and urban regeneration. The list goes on.

For the past 10 years, the DCMS has surveyed engagement with the arts through a regular report, "Taking Part". Encouragingly, the 2015 "Taking Part" study found that 77% of adults in the UK engaged with the arts in the previous year. That number, although impressive, has not seen a sustainable increase for 10 years and is much the same today as it was in 2005. Although the creative industries have achieved a great deal in the past 10 years, there is still a huge amount of work to do to ensure that the dynamic work of our arts and creative industries touch the lives of everyone in our communities.

We need to be clear about what we mean by engagement with the arts and, in my view, move away from attendance to participation. We all know of the well documented social benefits of the arts—I have just mentioned a number of them—but are those really being achieved at present? Attendance is great but I firmly believe that it is largely through participation in the arts that huge opportunities exist for social benefits.

Most public money still goes to subsidise those who are watching productions or visiting galleries, and although I accept that there are programmes for participation in most publicly funded arts organisations, it is only by redressing the balance and shifting the emphasis from attendance to participation that we will really start to see the step change in social benefits of the arts that we all want. Subsidising 100 people to watch a symphony orchestra will have a social and economic benefit, but what is the return on investment? Subsidising 100 children to learn how to act, sing or design a set has a clear social and economic benefit. It is far easier to measure the return on investment with that and, I would argue, it represents a greater social benefit.

Another issue I have raised with the Department for Education is schools' relentless focus on EBacc subjects, which I understand is leading to fewer and fewer students taking up music and drama at GCSE and A-level. That could have catastrophic consequences for the long-term sustainability of the arts in this country. Now more than ever, the Arts Council has a role to play in showing that music, drama and the arts more generally are relevant and a serious option for either a career or recreational activity.

Should we continue to invest in the arts as much, or perhaps, as my right hon. Friend suggests, invest more? Many would argue not, and although I disagree with them, I take their point. We know that many arts organisations continue to innovate and to rely less and less every year on public subsidy. There is far more of a focus on being cutting edge and groundbreaking while bearing in mind the need to produce art that the public actually want to come and see.

Someone does not need a grant to write a smash-hit play or musical. To be frank, some of the best productions start on little or no budgets in small theatres and grow organically. In my view, we should encourage arts organisations to have a medium-term strategy to move towards being financially sustainable for attendance, and then we could continue to publicly fund or subsidise their participation programmes and match-fund innovative works and productions. Why not be creative and look at accelerator funding, funding research and development and matched crowd-funding initiatives? Alongside that, I believe that we should continue to support the arts through tax breaks, such as the theatre tax relief that my right hon. Friend mentioned earlier. Why not just let them keep more of the money that they earn?

In conclusion, I support my right hon. Friend's call for an increase in funding for the arts, but I ask that the focus shift from attendance to participation, as I believe that only by doing that will we see our arts organisations become more self-sufficient and see a significant return on investment, both economically and in social benefits.

4.57 pm

Thangam Debbonaire (Bristol West) (Lab): I thank the right hon. Member for Wantage (Mr Vaizey) for securing this debate and for doing so much in his time as Minister for the arts. I very much admired his commitment and could see that he was passionate about the arts—there will be a "but" eventually, but he knows that.

I am here to say that above all else, I value art and culture for its own sake. Art just matters for so many things. I was originally trained as a musician. I started learning the cello when I was four and I never stopped. I went to a music school that was publicly funded. I was a professional musician and a member of the Musicians' Union, off and on, until my early 40s. I also married an actor who was originally an opera singer and is now an opera singer again. My sister is an artist, my parents are both musicians and art has been integral to who I am for my whole life. I really believe in the value of art for art's sake because I know what a difference it has made to my life. I am here for today's debate because I want everyone to experience that joy in whatever form it takes for them.

First and foremost, I want to emphasise the terms and conditions of people who are working in the arts. Without a properly remunerated, well supported workforce

[Thangam Debbonaire]

with decent terms and conditions, no industry at all can do well. Actors, musicians, dancers, painters, writers and technicians all need decent terms and conditions and too often are expected to work for very little or sometimes even no money.

Hon. Members have mentioned the words “funding” and “subsidy” today, and I want to try and change the language by talking about “investment.” The arts deliver an amazing return on investment. I do not have the figures with me—I used them somewhere else in another speech—but I know hon. Members here will be aware of just how much the arts give back to this country’s economy. If we are talking in purely economic terms, I think it is time that we stopped calling public money in the arts “a subsidy” or “funding” and called it “investment”.

Mr Vaizey: I wholeheartedly agree with the hon. Lady; could *Hansard* strike from the record any reference that I made to “subsidy” instead of “investment”? I believe that the then Chancellor said in his autumn statement last year that £1 billion invested in the arts returns £250 billion—and if the Treasury allowed that statistic out the door, it must be true.

Thangam Debbonaire: I thank the right hon. Gentleman for reminding me of the figures. The Labour Government made arts and arts investment a real priority.

I will give a few examples of where arts investment goes and what it does in my constituency. Ujima is a community radio station with extraordinary reach. It touches the subjects that other radio stations go nowhere near. It has some public funding, but also generates a lot of its own income and does its own work. On Saturday, it was given a fantastic and well-deserved award by the Community Media Association.

Many people in Bristol know the Watershed as somewhere to go for coffee or to see a film. They may not realise that behind the doors is the Pervasive Media Studio, where artists go to collaborate, create something new and discover together. Very often, although not always, that collaboration turns into something commercial. Sometimes, it leads to a piece of theatre that needs more public investment, but sometimes it leads to something that can actually make money. I was privileged to visit the Pervasive Media Studio and to literally get my hands on one of its new inventions, which looks like a football with many sides, but is actually a musical instrument that DJs can use in nightclubs—something that I know nothing about. Apparently I got the hang of it really quickly, or maybe they were just flattering me.

Public investment helps the commercial sector. I always fall back on the “Skyfall” example. A colleague in the National Theatre pointed out to me a while ago that, although that is a commercial film, the lead characters and the director—Sam Mendes, Judi Dench and Daniel Craig—started out in publicly invested theatre. Sam Mendes did not just wake up one morning and decide to make “Skyfall”. He had been doing lots of other things, thanks to public investment.

I need to mention—the right hon. Member for Wantage knows that I will—the consequences of no public funding. He and other hon. Members have mentioned local authorities that have made huge cuts, but local councillors talk to me about dealing with the impact of cuts to

central Government grants. When many local authorities serving deprived communities are faced with a difficult decision between the arts and the high cost of child protection, housing needs or other needs, they will cut the arts.

Now, I do not like that, the right hon. Member for Wantage does not like that and I am pretty sure that the Minister will not like it, but we need to face reality and accept the fact that local government and central Government grants have an impact. The right hon. Member for Wantage argued against ring-fenced funding. I get that argument, but there is a consequence when we cut Department for Communities and Local Government funding.

The Centre for Economics and Business Research has evaluated the impact of arts and culture on the economy, and it is massive. The arts and culture industries are so often more productive than other industries and, as well as generating economic value, they generate joy. I can testify to something that other hon. Members have mentioned—the value of arts in health and wellbeing. When I was being treated at Southmead hospital last year, I was privileged to see the cathedral to health that has been created there, and how much art and culture was built into the fabric of the building. There are works of art, changing exhibitions and a grand piano at which a variety of musicians play all sorts of wonderful music, which uplifted me in moments when otherwise I felt very down.

The public investment that we put into the arts more than earns its keep economically, through social aspects and wellbeing, and through regeneration of deprived areas, which is something that I have not mentioned, but for which there is a great deal of evidence. It is important that we take notice of workers’ terms and conditions, and recognise that public funding for the arts should be seen as an investment that has huge commercial opportunities when properly supported. We need to stop thinking about art as a subsidy.

Art, for my money, should truly be for everybody. As Jennie Lee said in her first arts White Paper way back in the ’60s—and I am pretty sure that the right hon. Member for Wantage said something similar in his White Paper—art, and our support for it as public citizens, should truly be for everybody. It enriches us, lifts us up and helps us to make something better out of the world we live in.

Mr Philip Hollobone (in the Chair): We now come to the first of the Front-Bench spokesmen. The guideline is five minutes for the Scottish National party, five minutes for Her Majesty’s Opposition, and the remaining time for the Minister, with three minutes for Ed Vaizey at the end.

5.4 pm

John Nicolson (East Dunbartonshire) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I congratulate the right hon. Member for Wantage (Mr Vaizey), who is an old friend, on applying for the debate. His passion for the arts and his many years of success as an arts Minister are universally recognised.

All of us in this room have in common a passion for the arts; that is why we are here in such great numbers arguing the case for them. It is fascinating what diverse

talents are on our Benches. We have heard from an actress and from a cellist. I am a harpsichordist—something that I have in common, obviously, with the majority of Scottish National party Members of Parliament. I am sure it will not be long before we have our own baroque ensemble. We will see.

Kelvin Hopkins: Good—a bit of Scarlatti would go down well.

John Nicolson: Yes, it would certainly be a challenge. Earlier this summer, I was delighted that my colleagues on the Select Committee on Culture, Media and Sport were able to visit Glasgow to sample some of the city's best known and much loved cultural assets. As they told me, during their visits to places such as the Glasgow School of Art, which is currently being rebuilt after the devastating fire, and the Kelvingrove Art Gallery and Museum, they realised that there is a deep commitment and attachment to the arts in Scotland. Indeed, it is to the great credit of our predecessors in Glasgow that wisdom was shown in the purchasing policy for Kelvingrove.

My mum remembers, as a wee girl, the debate in the post-war austerity years in Glasgow about whether to buy Salvador Dali's "Christ of Saint John of the Cross"—that amazing portrait where the viewer looks up at Christ from underneath. The city fathers, despite the great financial pressures that they were under, decided that Glasgow deserved to have the picture. Of course, the picture has, many times, outsold the original purchase price through the rights the city has to it—the postcards sold and the films made about it.

Scotland is a diverse society with creativity and innovation at its heart. In our city, we believe that everyone in our society should be able to experience and access culture. Now, why should that be? First and foremost, the arts improve people's lives. There is a direct link between access to a cultural place or event, and health. Those who participate in culture are almost 60% more likely to report good health compared with those who do not.

Glasgow has also made some terrible mistakes. When the beautiful city centre was destroyed under the crazy assumption that we could devastate the inner city, remove its beautiful buildings and decant people to outlying ring towns leaving an architectural desert in much of the city, the worst mistake made was to think that people who had grown up going to see movies—Glasgow had more cinemas than any other city in the western world with the sole exception of New York—and going to the theatre and the local swimming baths, would be happy living in outlying housing schemes with no access to arts of any kind. It is no wonder that crime, which everyone imagined would drop dramatically, rose dramatically. It was a tragedy.

Arts and culture improve people's attainment across many aspects of the school curriculum; in other words, access to the arts aids social mobility. Of course, there is also an economic benefit. In 2015, the number of jobs supported by the Scottish creative industries rose to more than 70,000, an increase of 5.1% on the previous year—the sector's third consecutive annual increase in employment.

For every £1 of public investment, we see £3 in economic benefit. I, like other hon. Members, think it is enormously important that we stop talking about subsidies and start talking about investment. There is a well of good will in the House for the arts and creative industries

and I was pleased to hear the right hon. Member for Wantage say that he felt that the Government had cut to the core, because we cannot cut further. On that, I hope, we are all agreed.

5.9 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to serve under your chairmanship once again, Mr Hollobone. It is also a great pleasure to debate with the right hon. Member for Wantage (Mr Vaizey). In my brief Front-Bench career, I seem fated to be debating with him serving either as a Minister or, now, as a Back Bencher. One reason why I am delighted that he was an arts Minister for so long is that, in an era of financial constraints, having someone who passionately believes in the arts, and in support for the arts, was something of a relief for us all. I was sad that he lost his job but pleased that he did his best for the arts.

It is a joy to be surrounded by so many arts lovers and participants. I am a great lover of the arts, but I am also a musician in a more modest way. I was a jazz tenor saxophonist in my youth, and I played classical clarinet at school. My only sadness at becoming a Member of Parliament is that I have less time to pursue my artistic interests. I would like to spend more time going to concerts at Ronnie Scott's and Covent Garden and going to our wonderful theatres, and so on, but I cannot do that because I am looking after my constituents and speaking for them in the House.

The arts are so important. I will not try to emulate the wonderful speeches that we have already heard in support of the arts, but I will draw attention to what my party has recently been saying. My party's leader set out Labour's radical, transformative vision for the arts at the wonderful Edinburgh festival. Years of systematic underfunding under the Conservatives' austerity agenda have threatened to undermine Britain's arts sector and our proud cultural heritage.

As we have heard, the Government have a vital role in sustaining the arts. Much of our artistic activity simply could not happen if not for public investment—I would say "public subsidy" but my hon. Friend the Member for Bristol West (Thangam Debbonaire) is absolutely right. Throughout history the arts have been supported by rulers, monarchs, churches and religious institutions, and in modern times they have been supported by Governments and the state with democratic consent and support.

Public support enables the arts to take risks and to support minority arts, which could simply never survive in a private, competitive market, unlike popular music, which is commercial and has massive, wide support. As has been said, support comes from philanthropy and private donations from businesses, and so on, but we cannot do without vital state support and, indeed, lottery support, which in a sense is an arm of public support.

My party is set to revive the spirit of the great Jennie Lee's 1965 White Paper in an updated comprehensive national plan for the arts to complement the creative industry's industrial strategy. The British Government spend a smaller proportion of GDP on arts and culture than other European nations do—the Government spend less than the 0.5% European average. We want to reverse that. It must change, and Labour aims to provide a £46 million boost to place arts funding on a secure

[Kelvin Hopkins]

financial footing and to restore the £9.6 million cuts to Creative Scotland's budget since 2010. Cuts to arts funding since 2010-11 amount to £42.8 million in real terms.

I welcome this opportunity to put Labour's case for supporting the arts, and I hope that we can persuade other parties that this is the way forward. I look forward to hearing what the Minister has to say in response to what has been a good debate.

5.13 pm

The Minister for Digital and Culture (Matt Hancock):

The former Minister—my predecessor and friend—my right hon. Friend the Member for Wantage (Mr Vaizey) described his contribution as a swansong and as his resignation speech. He was the longest-serving culture Minister in the history of this great country, and he has made two such speeches today because earlier he spoke eloquently in the debate on the Digital Economy Bill, to which we will be returning.

I take this opportunity to thank my right hon. Friend on the record. Having served in five different Government Departments in four years, I am becoming something of an expert in ministerial predecessors—I have an awful lot of them—and he is my finest ministerial predecessor. He has been brilliant to me by being supportive both in public and in private. He has been quiet where appropriate, and he has been helpful, while still speaking his mind. If I may say so, he is also looking extremely healthy.

My right hon. Friend talked about the outpouring of joy at the arts funding settlement in the spending review, and it is true that the arts were well supported. I remember well the previous Chancellor saying that “deep cuts” to the arts are a “false economy”, and I know that the new Chancellor shares his predecessor's enthusiasm for the sector.

There was also an outpouring of thanks and warmth to my right hon. Friend the Member for Wantage on his resignation, and it was an extraordinary, generous and genuine outpouring of support from arts and cultural organisations and from supporters of the arts right across the piece in recognition of his dedication and support over many years, which culminated in the publication of the first culture White Paper on the 50th anniversary of Jennie Lee's White Paper.

The economic and social impact of the arts and culture is well recognised by me and by the Government. DCMS sectors make a vital contribution. In 2015 the creative industries contributed £221 billion to the UK economy, which is more than 13% of gross value added. That is the economics but, more than that, the arts are central to how we are seen and how we see ourselves as a nation, which will only become more important as we negotiate our exit from the European Union and ensure that Britain is an open, optimistic, progressive and positively engaged country.

Kelvin Hopkins: In a recent private meeting—I was impressed by this—the Minister said that so much value could not be measured in financial terms and that the arts, in particular, were an area in which it was difficult to measure value in financial terms, even though they made a financial return.

Matt Hancock: I have said that in private and in public. In fact, I have given a long and involved lecture on the subject, and the hon. Gentleman might want to go and read it—I would far rather that than go through it in detail. It is not possible to capture all that is good and important in life with the measure of GDP. We need to be aware of that and to take it into account.

Even more than that, the intrinsic value of arts and culture is not measurable in economic terms. It is a human benefit to be part of a community and a country that has a strong and vibrant artistic heritage, and to be involved both as a consumer of and a participant in the arts—I have not put that quite as clearly as I would have if I had time to write it more lyrically.

Funding is the core of this debate. I, like my predecessor, believe strongly and passionately in the value of the arts. Public funding is a cornerstone of a mixed economy of funding for the arts. I put on record the facts on public funding: central Government funding plus lottery funding rose from £560 million when we took office in 2010 to £683 million last year, which is a £123 million uplift. Other figures have been bandied about, but it is important to put that on the record and for this debate to be based on the significant increase in support when we put together the direct funding and the lottery funding, which was in part secured by my predecessor. It is on that basis that we should conduct this discussion.

Public funding, as a cornerstone, is not the be-all and end-all, however. There is also philanthropy, which has increased, and especially the commercial financing that arts organisations the length and breadth of Britain have put such an effort into expanding. Commercial revenues, whether from hospitality or from digitisation, and philanthropic revenues are incredibly important, and we miss the bigger picture if we focus only on public money. Yes, it is important to support public funding for the arts, but it is also important to support and incentivise broader funding from all sorts of different places to ensure that we get both the breadth and depth of support for the arts that we all want to see.

On the important point about where that money is then spent and the question of London, during the period when my predecessor was in place, both the cash amount and the proportion of funding going outside London increased. Let me demonstrate my commitment to continuing in that direction of travel. If there is one person who has succeeded in both broadening geographic access to the arts and deepening the excellence at their core, that man is Sir Nick Serota, and he has now taken up the challenge of chairing Arts Council England from early next year. I am hugely looking forward to working with him in that role, because he understands how to retain and enhance that excellence while ensuring that the benefits of public support and artistic endeavour are supported throughout the country.

I will touch on a couple of other points. Funding is important, but it is not the be-all and end-all. I underline the importance of spreading diversity through the arts, funded via the mechanisms that we are discussing. When we say we want a country that works for everybody, we mean that we want everybody to be able to access its benefits, both economic and social. That means ensuring that people from all different backgrounds have the opportunity and are encouraged to access the arts. That involves increasing diversity within the arts in the broadest sense—not only in terms of formally

protected characteristics such as ethnicity, gender, sexual identity and disability but in terms of social mobility. We must ensure that people from around the UK and from different backgrounds are given the opportunity and the confidence to make the most of what this country has to offer. That will be an important part of what I will do in this job, and I look forward very much to working with the Arts Council to ensure that it happens.

I would also like to mention the non-funding elements of spreading the benefits by bringing arts to the whole country. Of course funding is one part of that, but one incredibly important convening power within the arts is the establishment of the Great Exhibition of the North, which will take place in the summer of 2018. It is an excellent step to ensuring that the city or town chosen has the focus and intention to develop its arts scene. Likewise, in the UK city of culture programme, which has been mentioned, I am looking forward enormously to working with Hull to ensure that the city of culture is a great success next year. Their convening power, supported by appropriate funding, will make those events a success. I am delighted that we provided more than £14 million to Hull for that, including £5 million for Hull New theatre, but as well as the funding comes the focus that I hope will make it a great success.

Finally, I will mention something that was brought up briefly: the role of technology in broadening access and ensuring more support for the arts from outside. For instance, we can increase access and footfall and reach new parts with livestreaming, which is increasingly being used to broadcast shows online, making it much easier for schools to access them, for instance. The Royal Shakespeare Company will be doing it soon, and many others are getting into that space. Those who missed the BBC live performance of “A Midsummer Night’s Dream” on Sunday evening can, of course, watch it on iPlayer. The advantages of digital in bringing more people to the arts is incredibly important.

I hope that I have responded adequately to my right hon. Friend the Member for Wantage. I will end by thanking him for the service that he gave and putting on record my hope that I can live up to the standards that he so powerfully displayed when in office.

5.25 pm

Mr Vaizey: We live in a time of great turmoil: within the last hour, Mel and Sue have announced that they will not be presenting “The Great British Bake-Off” when it moves to Channel 4.

The Minister’s speech was particularly welcome because of the sure-footedness and steady hand that he has brought to his portfolio. I will pick out a number of points that he made, some of which I overlooked and some of which I want to emphasise. First, I welcome his focus on diversity, in terms of both protected characteristics and social mobility. In their early speeches in their new portfolios, both he and the Secretary of State have emphasised that, which is welcome. Secondly, he reminded

the House how much progress has already been made in pushing funding outside London and showed a great commitment to carrying that on.

Thirdly, I cannot emphasise enough how important words are in the sector. Actions speak louder than words, as they do in any other area, but words are important, so to hear the Minister say on record that public funding is a cornerstone will be greatly reassuring to both the arts and heritage. Also, effectively telling the Chancellor that he is a supporter of the arts is a great move. Given the influence that my right hon. Friend has, I am pleased that the new Chancellor is officially a supporter of the arts. I thank him for that as well.

The Minister is an old friend, and will grab this portfolio with both hands and with the energy for which he is well known in the House. I know that the Secretary of State is also enjoying great support from the people I know in the sector who have met her, so I have great confidence. I know that it is slightly cheeky of me, at this early stage in their tenure as Ministers, to hold a debate on increasing funding to the arts, but I wanted to put on record why it is important.

In the last public expenditure settlement, I said to the then Chancellor that although those headline cuts, of the kind that the Treasury always loves to shove out the door in the run-up to public expenditure, would have a significant impact on world-class organisations, they represented very small sums in the great scheme of Government spending. Similarly, I emphasise to my right hon. Friend that the kind of sums that could make an impact on arts organisations at the next spending review or in the next Budget would be infinitesimal in the realm of Government spending—although I absolutely acknowledge that this Government in particular have, and will want to keep, a record of financial prudence. They will not only make a significant difference to what our arts organisations can do and to their impact; they will, to return to my other theme, be a massive vote of confidence from this Government in the arts and heritage, and he and the Secretary of State will be repaid a hundred times over by the sector.

As I said, I cannot foist that burden or challenge on to my right hon. Friend. I am realistic about what can and cannot be achieved, and he must negotiate with the Treasury. However, regardless of the outcome of the spending review or the next Budget, I emphasise again that both he and the Secretary of State are welcome additions in the arts and heritage, from everything that I am picking up. I am thrilled to read some of their speeches and see some of the work they are already undertaking. I am doing my absolute best not to sound ridiculously patronising; this is a heartfelt speech of support for what the Minister is doing.

Question put and agreed to.

Resolved,

That this House has considered funding for the arts.

5.29 pm

Sitting adjourned.

Written Statements

Tuesday 13 September 2016

DEFENCE

HMIC Report: Royal Navy Police

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): I wish to inform the House that the first report from Her Majesty's Inspectorate of Constabulary (HMIC) inspection of the Royal Navy Police (RNP) has been laid before the House today.

The Armed Forces Act 2011 places a duty on HMIC to inspect and report to the Ministry of Defence on the independence and effectiveness of investigations carried out by each service police force, and this is HMIC's first statutory inspection report on the RNP.

I consider this report to be a positive endorsement of the RNP providing assurance from an independent civilian authority that the RNP is well led overall. Six recommendations have been made and one area for improvement has been identified. The Royal Navy accepts the report's findings and work is already under way to address the recommendations and the area for improvement.

Copies of the report will be available in the Journal Office and Printed Paper Office.

[HCWS147]

ELECTORAL COMMISSION COMMITTEE

EU Referendum Report

Mr Gary Streeter (*On Behalf of the Speaker's Committee on the Electoral Commission*): The Electoral Commission has today published its report on the referendum on the United Kingdom's membership of the European Union (EU referendum), held on 23 June 2016. The report looks at the key issues that arose on the way to polling day, including the conduct of campaigners and the Electoral Commission's regulation of them, and provides data on the views of voters and the experience they had throughout this period. The report also points to a number of recommendations that would improve the administration, regulation, and delivery of future referendums.

Recognising its direct involvement in the management of the poll, the commission has also enabled an independent report conducted by two academics which has been published today. The commission has also today published three related reports respectively evaluating its public awareness campaign, international observers' scheme, and an independent report on the experience of registered campaigners. The commission will publish further reports relating to the referendum, including a report on the analysis of campaigners' spending and donations at the referendum and a report detailing the costs of the administration of the referendum in full, in 2017.

The evidence gathered by the Electoral Commission to inform its report shows that the referendum was delivered without any major issues. Its public opinion research with voters finds that they had a positive view of the EU referendum process, with 77% being very or fairly confident that the referendum was well-run. People were also satisfied with the process of registering to vote (87% said they were generally satisfied). People remain highly satisfied with the procedures for voting in the referendum, whether in person at a polling station (97%), or by post (99%).

The Electoral Commission's report acknowledges that this success was due to the over 100,000 members of staff who were working in around 41,000 polling stations across the UK and Gibraltar on polling day. It recognises the counting officers and their staff, as well as the 11 regional counting officers and the chief electoral officer for Northern Ireland whose professionalism and diligence were critical components of the organisation of the referendum. Electoral registration officers are singled out for praise in the report for processing 2.1 million additional applications to register to vote in the weeks before the referendum, as well as electoral services staff who coped with a record high electorate of 46,500,001 and 72.2% voter turnout.

The Electoral Commission had a leading role in the referendum. Under the framework of the Political Parties, Elections and Referendums Act 2000 (PPERA) the commission had a number of specific statutory responsibilities and functions in relation to the delivery and regulation of the referendum. It designated the two lead campaigners and produced guidance for all campaigners, of which there was a total of 123 registered campaigners—63 indicating they supported "Remain" and 60 supporting the "Leave" side. The discharge of these duties was in addition to its responsibility to promote public awareness of the referendum, the question put to the electorate, and how to vote in it.

The work for the EU referendum undertaken by the electoral community, the Electoral Commission, and campaigners was done at a time when important elections were taking place, under high levels of public scrutiny, and with uncertainty about the date of the referendum until four months before the poll. The report notes that careful management of the potential risks associated with the timing and profile of the poll was needed to successfully deliver the poll. Nevertheless, the Electoral Commission once again reiterates its recommendation that referendum legislation should be clear at least six months before it is required to be implemented or complied with.

The report also calls for the important changes which have been applied to the legal framework for recent referendums to be incorporated into PERA, which sets out the standard framework for referendums. This would ensure that they would apply for all future referendums, and would remove the need to draft completely new legislation on these aspects for each future poll. In addition, the commission recommends that a generic order for the conduct of referendums, which it has called for since 2004, should be introduced by the Government now. This would remove ambiguity over the detailed rules for the conduct of referendums each time one of these polls is called. To build on the successful approach taken in both the EU referendum and the 2014 referendum in Scotland, this legislation

should also require the designation of lead campaigners shortly before the referendum period, rather than during the first six weeks of this period, as currently set out in the legislation.

The Electoral Commission also suggests that section 125 of PPERA should be significantly redrafted to clarify the nature and scope of the restriction on activities by Governments and other publicly funded bodies during the referendum period. It should be clear which activities are restricted, and whether there are any specific exemptions; it should be clear when the restrictions apply; and it should be clear who is responsible for enforcing the restrictions, and what the penalties would be for any breach of the restrictions. The commission is therefore calling on the UK Government to consult on options for redrafting section 125 of PPERA, with a view to introducing amending legislation as soon as practicable, sufficiently ahead of any specific legislation for a future referendum.

One thing the commission has not recommended, however, is any role for itself in regulating the “truth” or the content of what campaigners say. The report sets out why it does not believe this would be an appropriate role for the commission given the breadth of its other functions. Instead, it is for campaigners and the media to scrutinise each other’s contentions and right that information is widely available for voters to do the same, but it is not clear that an independent body could, or should, be required to regulate the “truth”, which is likely to be highly contested.

While the commission has been pleased that the UK Government have incorporated many of its recommendations at each recent referendum, and that overall the legislation worked well for this poll, it is not practical to use different pieces of legislation from previous referendums and PPERA in order to draft legislation for each new referendum. It is therefore the Electoral Commission’s view that Parliament must now establish a clear standard legal framework for the conduct and regulation of future referendums.

Copies of the commission’s report have been placed in the Library and it is also available on the commission’s website: www.electoralcommission.org.uk.

[HCWS146]

TRANSPORT

HS2: Phase 2a Consultations

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): HS2 will be the new backbone of our national rail network and help us build an economy that works for all. Good rail links bring our country closer together, making it easier for people to get on and driving economic growth. That is why the Government are heavily investing in transport infrastructure, such as HS2, across the country. HS2 presents huge opportunities for UK business, and has the potential to increase the amount of freight transported by rail meaning fewer lorries on the roads, cutting congestion and carbon. The sooner we build HS2, the sooner we will see these benefits.

The Government remain committed to completing the full phase 2 “Y” network from Birmingham to Manchester on the western leg, and to Leeds, via the east midlands and Sheffield on the eastern leg. The decision to accelerate construction of part of the phase 2 route between the west midlands and Crewe—known as phase 2a—was taken in November 2015. This will mean that this section of the route becomes operational in 2027, so that some of the benefits of HS2 will be delivered six years earlier than originally planned.

Therefore, as part of our plans to prepare the HS2 phase 2a (west midlands to Crewe) hybrid Bill for introduction to Parliament next year, we have today launched the following consultations:

The Working Draft Environmental Impact Assessment (EIA) report;

The Working Draft Equality Impact Assessment (EqIA) report; and

A Design Refinement consultation.

Alongside the launch of these consultations, we are also publishing the revised EIA and EqIA “Scope and Methodology Reports” (SMR), which set out how the assessments will be undertaken, and the associated consultation response analysis documents.

The launch of these consultations is an important step towards delivering phase 2, and reinforces our commitment to continually trying to improve and refine the scheme. Importantly, we want to give those affected the opportunity to make their views known and provide further evidence to inform my final route decision.

Working draft Environmental Impact Assessment and Equality Impact Assessment Reports

HS2 Ltd has developed working draft EIA and EqIA reports for the phase 2a scheme, on which there will be an eight-week consultation. This will enable interested parties to comment on the current proposed design of the scheme, current environmental baseline, likely impacts and effects (where identified) and proposed mitigation measures.

The responses to these consultations will be considered as the design and assessment are developed and will help in the development of the formal EIA and EQIA reports. The formal EIA report will set out the likely significant environment effects of the phase 2a scheme, and will be deposited alongside the phase 2a hybrid Bill so it can be taken into account by Parliament before it decides whether or not to grant the powers to build the railway. The formal EqIA report will help us fulfil our public sector equality duty and is expected to be published when the hybrid Bill is deposited. Further information on these consultations can be found at: www.gov.uk/hs2.

Design Refinement Consultation

We are also consulting separately on a number of refinements to the route developed since November 2015. This consultation will last eight weeks, and enable me to take into account the views of those potentially affected before taking a decision on the refinements. Further information on this consultation can be found at: www.gov.uk/hs2.

Work on the design is continuing alongside these consultations which may lead to further changes being identified and decision taken. The full route will then be published when we deposit the hybrid Bill in 2017, at which point those affected will have an opportunity to comment on the formal EIA report. People specially

and directly affected by the scheme will also have the opportunity to petition Parliament as part of the hybrid Bill process.

HS2 Ltd has today written to people living near the proposed route changes to inform them of the consultation and invite them to attend consultation information events in their local areas.

HS2 is a once in a generation opportunity to transform Britain's railways, and I look forward to our continuing engagement in order to make it a reality and ensure that we maximise every opportunity it has to offer.

[HCWS143]

Rail Freight

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): I am today publishing the Government's new rail freight strategy, which has been developed in collaboration with Network Rail, the rail freight industry and its customers.

Rail freight makes an important contribution to our economic and environmental wellbeing, with benefits estimated at around £1.6 billion to the national economy every year. It generates around £1 billion from improved productivity, while around £0.6 billion is the value of the reductions in road congestion, carbon emissions and air pollutants.

Rail freight currently carries one in four of the containers coming into our ports, and has the potential to carry an even higher proportion. Each freight train removes the equivalent of up to 76 lorry journeys from our roads. Transporting freight by rail reduces carbon emissions by around three quarters compared to road, and also provides significant benefits through reduced local air pollution, road damage, traffic noise and road traffic accidents.

Since rail privatisation in the 1990s, the rail freight industry's market share of freight transport has risen from around 5% to around 12%. The industry has invested significantly on its own account, in rolling stock and terminals, in order to win new customers.

Government are also investing on a large scale in the rail network, including important enhancements worth nearly £240 million specifically identified by the rail freight industry as their priority.

This rail freight strategy sets out our vision for how rail freight can continue to grow, and how the broader logistics sector and rail industry can collaborate and innovate to help relieve pressure on the road network. It looks at challenges facing the rail freight industry—the way in which network capacity is used, the potential for innovation, the skills challenge and public perceptions of rail freight—and identifies ways in which the Government and the industry can work together to address them.

A copy of the strategy has been placed in the Libraries of both Houses and is also available at: www.gov.uk, together with two supporting technical reports.

Attachments can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-13/HCWS144>.

[HCWS144]

WALES

Wales Bill: English Votes for English Laws

The Secretary of State for Wales (Alun Cairns): I am pleased to announce the publication of analysis of English votes for English laws in relation to Government amendments to the Wales Bill at Commons Report.

The English votes for English laws process applies to public Bills in the House of Commons. To support the process, the Government have agreed that they will provide information to assist the Speaker in considering whether to certify that Bill or any of its provisions for the purposes of English votes for English laws.

The memorandum provides an assessment of tabled Government amendments to the Wales Bill at Commons Report, for the purposes of English votes for English laws. The Department's assessment is the amendments do not change the territorial application of the Bill.

The memorandum can be found on the Bill documents page of the Parliament website at: <http://www.parliament.uk/bills> and I have deposited a copy in the Libraries of both Houses.

[HCWS145]

WORK AND PENSIONS

Cold Weather Payments Scheme

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): I am pleased to announce that today I intend to lay regulations to amend the cold weather payment scheme. The changes detailed in these regulations will come into force on 1 November this year, in time for the beginning of the winter period.

The scheme makes cold weather payments to help vulnerable groups during cold periods. Each year the Department reviews the scheme with expert advice from the Met Office and, where necessary, makes changes to regulations to ensure that postcodes are linked to the most appropriate weather station for the purposes of the cold weather payment.

For the 2016-17 season the Met Office has recommended the replacement of one primary weather station and the introduction of an additional new station.

The current station at Skye-Lusa will be closed and have equipment removed by spring 2017. The Met Office has therefore recommended changing to an alternative site at Achnagart to protect the 2016-17 service from any potential risk of earlier disruption to the station at Skye-Lusa.

South Devon, particularly the EX and TQ postcodes, would be better represented by the newly installed station at Exeter airport. The Met Office has recommended including this station as an additional site in the network taking some of the postcodes currently served by Dunkeswell and North Wyke. The Exeter airport site better represents the postcodes along and near the east facing coastline around east Devon, Exeter and parts of

Torbay. The more inland and higher altitude sites at Dunkeswell and North Wyke will continue to serve the more inland communities.

The regulations also make other minor changes to the alternative weather stations. This will ensure that the weather station to postcode links are as representative as possible.

The changes to the postcode to weather station links resulted from the Department's annual review of the cold weather payments scheme. The review drew on expert advice from the Met Office and took account of representations from benefit claimants and Members of Parliament.

I will be writing to each Member who made representations about the administration of the scheme last winter to make them aware of the advice from the Met Office.

Cold weather payments are separate from, and in addition to, winter fuel payments.

For winter 2016-17 the cold weather payment rate will continue to be £25 for each seven day period of very cold weather.

The regulations are being amended so that, in future, revisions can be made without the need for new legislation each time weather station to postcode links change. This will not materially impact on how the scheme operates in practice.

The regulations are also being amended to ensure that where a primary station is unable to provide temperature information or the Met Office is unable to produce a forecast at a primary station, there are adequate procedures for the necessary temperature information or forecast to be obtained from another weather station.

[HCWS142]

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