

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## DIGITAL ECONOMY BILL

*Eighth Sitting*

*Tuesday 25 October 2016*

*(Afternoon)*

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CLAUSES 28 TO 37 agreed to, some with amendments.  
CLAUSE 38 under consideration when the Committee adjourned till  
Thursday 27 October at half-past Eleven o'clock.  
Written evidence reported to the House.

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No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

**not later than**

**Saturday 29 October 2016**

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**The Committee consisted of the following Members:**

*Chairs:* † MR GARY STREETER, GRAHAM STRINGER

- |   |  |
|---|--|
| † Adams, Nigel ( <i>Selby and Ainsty</i> ) (Con)                          | † Mann, Scott ( <i>North Cornwall</i> ) (Con)                        |
| † Brennan, Kevin ( <i>Cardiff West</i> ) (Lab)                            | † Matheson, Christian ( <i>City of Chester</i> ) (Lab)               |
| † Davies, Mims ( <i>Eastleigh</i> ) (Con)                                 | † Menzies, Mark ( <i>Fylde</i> ) (Con)                               |
| † Debbonaire, Thangam ( <i>Bristol West</i> ) (Lab)                       | † Perry, Claire ( <i>Devizes</i> ) (Con)                             |
| † Foxcroft, Vicky ( <i>Lewisham, Deptford</i> ) (Lab)                     | † Skidmore, Chris ( <i>Parliamentary Secretary, Cabinet Office</i> ) |
| † Haigh, Louise ( <i>Sheffield, Heeley</i> ) (Lab)                        | † Stuart, Graham ( <i>Beverley and Holderness</i> ) (Con)            |
| † Hancock, Matt ( <i>Minister for Digital and Culture</i> )               | † Sunak, Rishi ( <i>Richmond (Yorks)</i> ) (Con)                     |
| † Hendry, Drew ( <i>Inverness, Nairn, Badenoch and Strathspey</i> ) (SNP) |  |
| † Huddleston, Nigel ( <i>Mid Worcestershire</i> ) (Con)                   | Marek Kubala, <i>Committee Clerk</i>                                 |
| † Jones, Graham ( <i>Hyndburn</i> ) (Lab)                                 |  |
| † Kerr, Calum ( <i>Berwickshire, Roxburgh and Selkirk</i> ) (SNP)         | † <b>attended the Committee</b>                                      |

## Public Bill Committee

Tuesday 25 October 2016

(Afternoon)

[MR GARY STREETER *in the Chair*]

### Digital Economy Bill

#### Clause 28

COPYRIGHT ETC WHERE BROADCAST RETRANSMITTED  
BY CABLE

*Amendment proposed (this day):* 63, in clause 28, page 27, line 31, leave out subsections (3) to (5). — (*Nigel Adams.*)

*This amendment, together with Amendment 64, are probing amendments to identify a timeframe for the repeal of section 73 of the Copyright, Design and Patents Act 1988 as it is not clear when the repeal will come into force. The amendments would mean that repeal of section 73 of the CPDA would come into force as soon as the Bill receives Royal Assent.*

2 pm

*Question again proposed,* That the amendment be made.

**The Chair:** I remind the Committee that with this we are discussing the following:

Amendment 189, in clause 28, page 27, line 36, at end insert—

‘(6) The Secretary of State shall—

- (a) produce a report on the implication of the repeal of section 73 of the Copyright, Designs and Patent Act 1988, and
- (b) undertake a comprehensive consultation on the future of television content distribution and public service broadcasters.”

Amendment 64, in clause 82, page 80, line 2, at end insert—

“(a) section 28;”

*This amendment, together with Amendment 63, are probing amendments to identify a timeframe for the repeal of section 73 of the Copyright, Design and Patents Act 1988 as it is not clear when the repeal will come into force. The amendments would mean that repeal of section 73 of the CPDA would come into force as soon as the Bill receives Royal Assent.*

Amendment 94, in clause 82, page 80, line 14, at end insert—

“(h) section 28.”

*This amendment would mean that repeal of section 73 of the Copyright Designs and Patents Act of 1988 would come into force two months after the Royal Assent of the Bill.*

**The Chair:** I call the shadow Minister to continue—  
[*Interruption.*]

**Kevin Brennan** (Cardiff West) (Lab): I thank the Minister for his warm acclamation of support for my continuing. As he will be aware, any huffing and puffing may influence how long I speak, but perhaps not in the way he hopes. It is a great pleasure to see you back chairing our proceedings this afternoon, Mr Streeter,

having done so ably this morning without needing to heed any of the unsolicited advice from the Minister on how to chair a Committee. You did an absolutely superb job, and everyone on the Committee thanks you for that.

When stumps were pulled this morning, we were discussing amendment 189. To remind the Committee, that amendment calls on the Secretary of State to

“produce a report on the implication of the repeal of section 73 of the Copyright, Designs and Patent Act 1988, and...undertake a comprehensive consultation on the future of television content distribution and public service broadcasters.”

We feel that the repeal of section 73 has big potential implications, and we need to know what the Government’s strategic thinking amounts to on those issues. I was talking about how things were 30 years ago with public service broadcasters. They were reserved access to valuable spectrum and given prominence on that spectrum. That created a valuable and well-funded monopoly, whether that was advertising revenue for ITV or money from the licence fee for the BBC. We were going to discuss how every aspect of that original deal is undergoing rapid change, and that is why our amendment is important.

Spectrum is more valuable than ever. In 2015, Ofcom acknowledged that if the spectrum that public service broadcasters use was priced commercially, it would be out of reach for PSBs. Then again, other distribution methods are evolving rapidly. It is perfectly possible to imagine a day when spectrum is not used for direct TV broadcast at all, and that day might not be as far in the future as we might think.

We know that the prominence of public service broadcasters is coming under enormous pressure. Recent moves by Sky have made it very hard to find live TV or public service broadcast content at all, and that is potentially a serious assault on the public service broadcasting compact. Prominence enables scale, and scale has been the commercial and policy basis of our public service broadcasters from the start. It makes them economic and makes the notion of public service broadcasters tangible, so that they are not just widely available, but widely watched. We will return to that topic in our consideration of the next group of amendments, but it is relevant to any report that might be produced through the amendment.

Public service broadcasters are no longer the cash cow monopolies that they arguably once were. We have been in a multi-channel world for a long time, but on-demand viewing is accelerating that change even further. Public service broadcasters are not just competing for viewers with commercial channels, but with different offers from such organisations as Netflix, Amazon and YouTube and from other options, such as gaming. Netflix now outspends the BBC on original content development. It is a significant player in the original content market.

To be clear, I am not necessarily echoing what the Prime Minister said in her speech to the Conservative party conference. She seemed to be trying to channel Sam Cooke by saying, “Change is coming”, many times during her speech, but plenty already has changed, and the pace of that change is accelerating. The Government need to face up to this, and that is why we are suggesting that they should hold a proper review of the interconnected issues of distribution, carriage, content creation, prominence and funding before developing and pursuing a clear

and fair strategy for television distribution in general, and public service broadcasting distribution specifically. That is what this amendment seeks to achieve. Without that proper vision for how our public sector service broadcasters will operate in a fast-changing, multi-distribution, multi-channel, globalising world, we worry that not only will they not thrive as public service broadcasters, but that ultimately they may not survive. As I said earlier, we should not allow that to happen, and we certainly should not allow it to happen by accident.

The Minister must make it clear that he wants public service broadcasters to survive. I believe that he does, but he also has to make the Government's strategy clear in the light of this rapidly changing, complex world. It is to be hoped that he can partly do that in response to the amendments, as well as laying out his views on our suggestion of producing a comprehensive report on the subject.

We are also discussing amendment 94, which is a probing amendment that is intended to tease out a timeline for the repeal of section 73. It relates a little to the amendment that the hon. Member for Selby and Ainsty moved earlier in that it has a similar purpose. We just want to find out what the Government's thinking is. Our amendment differs from his in that it states that the repeal should come into effect two months after Royal Assent, whereas his amendment states that it should come in immediately after Royal Assent. We will not press amendment 94 to a vote, but we want to hear the Minister's thoughts and plans in relation to it.

**Nigel Adams** (Selby and Ainsty) (Con): The hon. Gentleman may well cover this in his further remarks, but I would be delighted to hear his view on why there should be a two-month delay after Royal Assent.

**Kevin Brennan**: The hon. Gentleman is right to probe me on that. The truth of the matter is that there is a convenient clause to which we could add our amendments, which starts things two months after Royal Assent. As I said, amendment 94 is a probing amendment and I am sure the Minister will tell us all the reasons why it is technically defective. I will not push it to a vote so I am prepared to hear that, but we want to use it as a method of finding out the Government's position.

Section 73 was originally introduced to encourage the roll-out of cable and to help a fledgling platform compete against terrestrial television by ensuring that cable platforms had access to public service broadcasting content. The Government have agreed that this policy objective was met some time ago, and in July reported that they were "satisfied that the objective of ensuring that PSB services (as well as other TV services) are available throughout the UK has been met, and therefore section 73 is no longer required to achieve that objective."

Subsection (3) states:

"The Secretary of State may by regulations make transitional, transitory or saving provision in connection with the coming into force of this section."

Inasmuch as this generally means that the state will repeal section 73 when it sees fit, there are concerns among some public service broadcasters about understanding more clearly the Government's intentions in relation to the timetable for that repeal. It would not be such a pressing issue were section 73 merely a harmless hangover and simply moribund. However, as we have heard, it is

more than a legal anachronism. It is a loophole through which taxpayers' money is effectively funnelled into private businesses.

As we have heard, section 73 allows companies, such as TVCatchup and FilmOn, to live stream the content of public service broadcasters and other channels online without permission. In other words, the money the public pay through their licence fee pays for content that is then, in effect, given away for free to companies other than public service broadcasters. Those companies then monetise that public service broadcasting content by placing their own advertising around it.

Public service broadcasters are granted public funding and the other advantages we have talked about on the understanding that, in exchange, they are obliged to air content that works for the public's benefit, rather than solely for the benefit of commercial interests. Section 73, in effect, allows TVCatchup and FilmOn to benefit from that same public funding, but those companies are clearly not held to the same standards. That amounts not only to the taxpayer unwittingly subsidising those businesses, it effectively directs funds away from PSBs and impacts on their ability to generate legitimate commercial revenues and to reinvest in the wider creative economy. Those live-streaming sites increase public service broadcaster reliance on public money and can fuel a vicious cycle of under-funding.

There is cross-party agreement that that is wrong and has to be put right, which is what the Government are seeking to do, but why do we have to rely on the Secretary of State to

"make transitional, transitory or saving provisions"

for repealing section 73? Is it not the case that broadcasters and the public deserve a more explicit timeframe, for the reasons I have laid out, so that this does not persist for any more time than is absolutely necessary? Not only is that fair, but it would provide more certainty for public service broadcasters and ensure that their investment in UK content is protected. Amendments 63 and 64, which the hon. Member for Selby and Ainsty tabled, would mean the repeal of section 73 immediately after Royal Assent, which offers one way forward. Our probing amendments offer another alternative if the Government need more time.

Public service broadcasters first wrote to the Intellectual Property Office to ask for the repeal of section 73 in 2008. In the meantime, TVCatchup has obviously made millions on the back of PSB content and the European Commission has launched infraction proceedings against the UK Government, on the basis that section 73 denies public service broadcasters their intellectual property rights for their content, which is guaranteed under the 2001 copyright directive. It would also be helpful to know from the Minister how he believes that infraction proceeding plays into our discussion on the amendment, the repeal of section 73, and what role it has to play if the Bill indeed repeals section 73. In short, will the Minister explain why he is not offering a clear timetable for repeal in the Bill?

**Calum Kerr** (Berwickshire, Roxburgh and Selkirk) (SNP): I feel that I should thank you for your chairmanship, Mr Streeter; I feel a bit left out, given that the Opposition spokesperson did it. Thank you so much for your chairmanship. It is nice to see a smile at the top table.

[Calum Kerr]

I will add a couple of brief points. I am surprised the hon. Member for Cardiff West earned only £10.60. I thought he displayed some creativity. I have never heard so many song lyrics or titles; I do not know if he is on commission for that. Hopefully, journalists across the country are googling—that is appropriate, given what we are discussing today—for what content he has earned £10.60, so that number may go up.

**The Minister for Digital and Culture (Matt Hancock):** Other search engines are available.

2.15 pm

**Calum Kerr:** Indeed—I thank the Minister. There is an interesting point here about the importance of parity across channels. The Scottish National party is clear in supporting the repeal of section 73. The hon. Member for Cardiff West made a point about the many different ways in which people can access content, which he articulated well, and the importance of being consciously competent across all areas when making legislative change. I am interested in hearing the Minister's remarks on that.

We noted earlier the concerns specifically in relation to Virgin as a large cable company, but I want to put on the record very clearly that we absolutely support the Government in repealing section 73. As these models change and people access content in different ways, the ability for them to earn revenue from the content they produce becomes all the more important, because they cannot necessarily rely on its being consumed in a way that ensures that advertising revenues naturally flow. I emphasise that we support this, we welcome the Government's bringing it forward but we would like a bit more clarity from the Minister around the broader picture.

**Matt Hancock:** I am delighted to respond to these points. I take this opportunity to commend the Opposition Front Benchers and, in particular, the hon. Member for Sheffield, Heeley, for how she proved, earlier in Committee, how it is possible to put points with great clarity and precision, such that on Thursday we rose early—somehow that seems unlikely today.

**Kevin Brennan:** Will the Minister give way?

**Matt Hancock:** No. The Government are committed to repealing section 73 of the Copyright, Designs and Patents Act 1988, following public consultation which ended this year and concluded that section 73 is no longer relevant. Amendments 63, 64 and 94 seek to ensure that the repeal will be brought into force rapidly following Royal Assent and amendment 189 would provide for the Government to produce a report on the implications and a consultation on the future of television content distribution and public service broadcasters. I should say that after today's Committee session I think that my hon. Friend the Member for Selby and Ainsty will be known as “the IP king”. He has been the most ardent defender of intellectual property and its protection and he made very strong arguments.

On the case for a report and a consultation, Opposition Front Benchers asked the Government to face up to the challenges of new technology and its impact on public sector broadcasting and more broadly, and it is absolutely

true that there is a huge impact of technology, both in distribution methods and in software, in terms of how we are watching content. Indeed, I understand that in China more films are watched on a hand-held than on a fixed device, and the trend is in the same direction here. This is clearly a very big issue and I am glad that all members of the Committee are alive to it.

I would say, though, that in response to amendment 189, we did just hold a public consultation precisely on the balance of payments between television platforms and the public sector broadcasters which considered the regulatory framework. It considered these questions and came forward with the proposal to repeal section 73. So I gently say to Opposition Front Benchers that, although I can see the point of the amendment, the report that they seek and the consultation that they are asking for by way of what I accept is a probing amendment is what we delivered through that consultation earlier in the year. The changes that we are seeking to make in legislation are a conclusion of exactly the sort of consultation that they have been looking for. The consultation was published on 5 July. I am glad that its conclusions have cross-party support.

We strongly support public service broadcasting in the UK. We believe that it has a long, vital and sustainable future and we will ensure that it does. I cannot give a clearer commitment to public service broadcasting. Even through these changes in technology, the evidence on viewer habits shows that public service broadcasting remains valued and valuable, and we support it.

I turn to some of the detailed questions. I was asked about the TPS regulatory regime. That was also considered as part of the consultation. We decided that different regulatory regimes are still appropriate, given the differing technical requirements of different TV platforms. There is a big change: an amalgamation of different delivery platforms for broadcasting from the old cable, terrestrial and satellite, and increasingly things are moving to broadband and fibre.

Following our discussion last week, I note that today TalkTalk has announced a full roll-out of full fibre to the whole of York, so there is progress in the full fibre drive that we are looking for in this country. However, there remain different technologies, so we think that it is still appropriate to have different regulatory regimes for them, although clearly the interoperability between them is important. I hope that that explanation addresses the point.

**Kevin Brennan:** Does the Minister have any concerns, or did the review reveal any concerns, about the point that I made about the opaqueness of the kind of deal now done under the TPS regime? That makes it impossible to judge whether it is truly fairer to public service broadcasters.

**Matt Hancock:** I will come to that and answer it alongside the question about the impact of removing section 73 where there are must-offer obligations. In truth, there are a huge number of commercial deals between the public service broadcasters and those that carry the PSB content to a wider distribution network. Whether it is through the TPS regime or the regime that we are discussing, many PSB broadcasters have contractual arrangements for their non-PSB content. That happens perfectly reasonably, whether it is through that regulatory regime or through a non-PSB deal delivered using non-satellite transmission.

We do not expect PSB content to be withdrawn because of the existence of contractual arrangements for PSB content replacing section 73. Indeed, there are contractual arrangements for lots of non-PSB content, so I do not see why those contracts cannot be entered into, but the issue does lead to the question whether there should be a transitional regime to ensure that there is no interregnum.

In the event of a PSB and a platform failing to agree terms for the carriage of a service, it is for Ofcom to consider whether the proposal of the PSB was compliant with the must-offer obligations in its licence. Were Ofcom to conclude that it was not, it would expect the PSB to submit a revised offer to the platform. Until now, Ofcom has not had to intervene, because no disputes have arisen presenting any real risk of refusal to supply by PSBs or to carry by platform operators.

The timing question was raised by my hon. Friend the Member for Selby and Ainsty and by the Opposition. The consultation report included an assessment of the implications of repealing section 73, and there was recognition of the potential impacts on the underlying rights market, meaning that the Government have decided that a further technical consultation should be run by the Intellectual Property Office.

I assure the Committee that the Government have every intention of bringing into force the repeal of section 73 rapidly; we plan to do it before the start of summer recess 2017. Repealing section 73 immediately could impact rights that have previously been exempt from remuneration in relation to the underlying copyright content in cable retransmissions, such as those held by scriptwriters or musicians whose intellectual property forms part of the relevant broadcast content. Our approach is to ensure an orderly transition.

Some respondents to the original consultation said that there could be disputes between the cable platform and the underlying rights holders when trying to agree terms and that a transitional period may be helpful. The Intellectual Property Office is currently running a brief technical consultation, as has been mentioned, to examine the extent of those issues and to assess whether any transitional measures are required.

I do not want to prejudice the outcome of the consultation, but in terms of whether a transitional period would be required, the IPO's consultation seeks views on options ranging from no transitional period to a transitional period of up to two years following Royal Assent. Even if the full transitional period is decided on as a result of that consultation, and assuming that the Bill receives Royal Assent in spring 2017, we expect the repeal of section 73 to come fully into force by spring 2019 at the latest.

**Kevin Brennan:** The Minister talked about bringing the repeal into force rapidly before the summer recess in 2017, and then issued further caveats and talked about 2019. Will he clarify that for the Committee?

**Matt Hancock:** Yes. We will bring the repeal into force before the start of the summer recess in 2017. There may then be a transitional period, depending on the current IPO consultation, but the maximum transitional period, should there be one, will be two years. I added two years on to the summer recess of 2017 to get to what the Government call spring 2019—it will probably be the warmer end of spring.

**Nigel Adams:** Will the Minister give some indication of the potential timescale of the IPO's technical consultation?

**Matt Hancock:** It is a four-week consultation and it started yesterday, so it has three weeks and six days to run, if my maths are right.

**Kevin Brennan:** I am grateful to the Minister for clarifying that timetable as he envisages it. In addition to that, during the course of my remarks I talked about the possibility of a dispute arising between a public service broadcaster and a platform following the repeal of section 73. What is the Minister's view on how that sort of dispute could be resolved without consumers being affected?

**Matt Hancock:** That could easily be resolved by a contractual agreement, as the two parties in such cases have in many other examples. For example, Channel 4 has a PSB element and non-PSB channels. The non-PSB channels are not covered by section 73, so the PSB element of Channel 4's broadcasting will be in a similar position to its non-PSB element in future. Since those contractual arrangements exist between the parties covered by section 73, I see no reason why they cannot pretty quickly put in place similar contractual arrangements, not least because the decision to repeal section 73 was taken some months ago and the companies have had some time to prepare.

The final point raised was about the impact of the repeal on Virgin Media's broadband roll-out. I see absolutely no link between the two. I am delighted that Virgin Media is looking at a broader, full-fibre roll-out, in the same way that TalkTalk has announced further progress today. Nobody at Virgin Media has raised this link with me, and given that Virgin Media is owned by one of the most well-capitalised companies in the world, I cannot see any crossover between the two—and I think it is disingenuous to suggest there is. With that, I hope hon. Members will withdraw the amendments so we can proceed.

**Kevin Brennan:** As I made clear, it is not our intention to put our amendments to a vote at this stage. The debate was extremely interesting, important and useful, despite the Minister's seeming resentment of having debates that go into the detail of the Bill and despite his remarks about rising early. He should be careful about making such remarks, given that he was late for the first sitting of the Committee.

There is an important issue at stake here: in our proceedings, the Government get their way because they have a majority, but the Opposition have their say. That is the constitutional principle on which we are all here and it is the role that we play. The Minister's continual grumpiness about that is not helping his cause. I thought it was a useful debate that has revealed and drawn out more clearly some of the Government's thinking on the timetabling of the repeal of section 73. We are not going to put our amendments to a vote at this stage, but these are matters we might revisit later.

**Nigel Adams:** I very much enjoyed all the contributions, which were incredibly complete, informed and eloquent.

I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

2.30 pm

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

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

New clause 14—*Digital broadcasting and protection of listed sporting events*—

‘Within 12 months of this Act coming into force, the Secretary of State shall commission an evaluation of the impact of developments in digital broadcasting on the protection of listed sporting events for public service broadcasters, and shall lay the report of the evaluation before each House of Parliament.’

New clause 17—*PSB prominence*—

(1) The Communications Act 2003 is amended as follows.

(2) At the end of section 310(1) add “that satisfy the qualification criteria to be set by OFCOM in the code.”

(3) In section 310(2) leave out “OFCOM consider appropriate” and insert “required by OFCOM”.

(4) In section 310(4)(a) after “programmes” insert “, including on-demand programme services,”.

(5) In section 310(5)(a) after “service” insert “, including on-demand programme service,”.

(6) In section 310(8)(a) after “services” insert “, including on-demand programme services,”.

(7) In section 310(8)(b) after “services” insert “, including on-demand programme services.”

*This new clause would modernise the PSB prominence regime – as recommended by Ofcom in its 2015 PSB Review. Provisions in the Communications Act 2003 currently only apply to traditional public service TV channels on traditional TV channel menus (‘EPGs’). This proposal would extend the law to on-demand services such as catch-up TV and to the connected TV on-demand menus where such services are found.*

**Kevin Brennan:** We are dealing with this group in a slightly novel way. I will discuss new clauses 14 and 17 and then move on to my clause stand part remarks.

New clause 14 calls on the Government to produce a report exploring the options available for future-proofing the at-risk listed events regime, which helps ensure that sporting events such as the Olympic games remain universally and freely available. The listed events regime has been enormously successful and is popular with the public, but it is undoubtedly currently at risk and could become obsolete unless the Government take action to make sure that that does not occur.

I ask the Minister to consider revising the qualifying criteria to deliver a listed events regime fit for the digital era, which we are discussing in this Bill. Since the 1980s, successive Governments have sought to ensure that TV coverage of certain major sports events remains available to everybody, irrespective of their ability to pay. The UK has an A list, which is designed to preserve live coverage of certain major events on free-to-air television—for example, the Olympic games, the football World Cup, the Grand National and the rugby World Cup final. There is also a B list that does the same for TV highlights—for example, the Six Nations rugby tournament and the Commonwealth games.

The listed events regime helps ensure that events such as the Olympics, the recent European football championships—in which Wales reached the semi-final—and Wimbledon all reach the widest possible audience, delivering enjoyment to millions, inspiring the next generation to get active, creating role models and helping make sport aspirational. In total, 45 million people in

the UK watched Rio 2016 and the Euros this summer and more than 10 million people watched Laura Trott and Jason Kenny on BBC television both secure gold medals on the same day at Rio 2016.

The listed events regime strikes a balance between ensuring the public can gain free access to major events and the understandable desire of pay TV operators and sports federations to try and maximise their commercial revenues. Importantly, the regime does not prevent pay TV from acquiring TV rights to listed events; it simply ensures that qualifying services can acquire the free-to-air rights on fair and reasonable terms.

Under the current rules, the benefits of the listed events regime are restricted by statute to channels that are first, free, and secondly, received by at least 95% of the UK population. Those criteria are becoming increasingly outdated as the number of homes giving up their TVs for other media devices begins to rise; the 95% criterion will probably not be met by any TV channel at some stage in the course of this Parliament. It would be interesting to know whether the Minister recognises that that is the case and whether Ministers are thinking about it.

As a result, regulators would have no clear legal basis for discriminating between channels, which would likely lead to listed events being ultimately far less widely available and watched. That shows quite clearly that the qualifying criteria need updating, and there are options for doing that. We are trying to explore those options with our new clause in Committee this afternoon—performing our proper constitutional role, much to the resentment of the Minister.

The BBC prefers the option in which the 95% reception criterion could be updated and replaced with a measure testing whether the channel is widely watched. That would require a qualifying service to have reached at least 90% of the public in the last calendar year. That would ensure that the public continued to have access to these sporting events on channels that are easy for audiences to find and that we know they actually watch in large numbers; that is obviously the intention of the current regime. That measure would be a proxy for factors including free-to-air continuous availability, popularity and audience awareness. The proposed test would be consistent with the spirit of the regime and aligned with wider public benefits such as offering moments of national celebration and inspiring physical activity, as well as being simple to implement and more stable than the current reception test.

Furthermore, such a test would be open to any service that was free at the point of use, committed to maximising access and not tied to any one distribution platform, so it would be more able to incorporate broadband streaming, for example, as counting towards the reach of a service as and when the infrastructure allowed. That would prevent the regime from being manipulated by organisations whose purpose was to maximise the attractiveness and availability of pay TV services by providing nominally free coverage on channels that may meet an availability threshold but of which there is very low awareness.

There are alternatives. It has been suggested that the qualifying criteria might be interpreted differently—I am talking about adding broadband availability towards the 95%. However, some feel that that may involve major risks. The combined coverage of the UK’s commercial digital terrestrial TV multiplex and broadband may

well allow services distributed via those means to qualify, yet their geographic coverage would exclude large rural areas. That would particularly be an issue—I say this as a Member representing a constituency in Wales; I am sure that the hon. Member for Berwickshire, Roxburgh and Selkirk, who speaks on behalf of the Scottish National party, will be aware of this—in the nations, where there is often greater difficulty with coverage in large rural areas, but it also applies to parts of rural England and, indeed, Northern Ireland.

Furthermore, broadband will not be able consistently to deliver a guaranteed quality of live streaming to mass audiences for some time to come. The BBC, in particular, feels that including broadband in the criteria implementation would be hard to measure and to implement.

The report proposed in our new clause would be an opportunity to fully explore concerns and the different options available for modernising the listed events regime. As I said, those events are very much valued by, and seem very much to be of benefit to, the public. Four in five people say that listed events are important to society. One in four said that the BBC's 2012 Olympic coverage inspired them to take part in sport. Wide exposure of free-to-air sport can inspire, create role models and make sport aspirational. Indeed, it can bring the country, and the nations within the UK, together. Public service broadcasters likewise understand the importance of listed events and are committed to making sport freely available to all. Even though public service broadcasters are responsible for only 5% of sports output in the UK, they are responsible for 60% of sports viewing. That is something we would not wish to lose as a country, almost by accident, because of the technological changes that we have been discussing.

The UK has a mixed ecology that balances the public's free access to major events with the potential for pay TV operators and sports federations to generate commercial revenues. The threat to listed events may radically tilt that balance. Rather than risk the abolition of listed events by the back door, Parliament and the Government should urgently consider revising the qualifying criteria to deliver a regime fit for the digital era. With this amendment, the Digital Economy Bill could be the vehicle to ensure that this happens. I shall be extremely interested in what the Minister has to say about this, and in the Government's view of this important and much cherished feature of our sports broadcasting ecology. The Minister can feel free to dilate at length when he responds.

New clause 17 stands in my name and that of my hon. Friend the Member for Sheffield, Heeley. It proposes modernising the public service broadcasting prominence regime, as recommended by Ofcom, by extending the law to on-demand services and the menus, where they are found. Since PSB prominence was legislated for in the Communications Act 2003, many gaps have emerged. The Act was designed in a markedly different TV landscape, even 13 years ago. It was four years before the introduction of the BBC iPlayer, for example. It was eight years before the digital TV switchover took place, and seven years before the introduction of the iPad. It created public service broadcasting prominence principles for broadcast TV sets, but not for connected TV sets, public service broadcaster channels, or PSB catch-up services, such as BBC iPlayer.

The regime has not kept up well, even with the multichannel world. For example, as I am sure hon. Members with young children will be aware, CBeebies and CBBC are behind 12 US cartoon network channels in the channel listings of the UK's leading pay platform, Sky. As someone who was brought up on public service children's television broadcasting—God knows what I would have been like if I had not been—and as a parent, I think that that is a shame, and that the Government should have a view on it.

**Graham Jones** (Hyndburn) (Lab): “Play Away”!

**Kevin Brennan:** I am not going to respond; I shall focus on my remarks. My hon. Friend may wish to regale us later with his favourite children's TV programmes or public service broadcasters.

PSBs now face a far bigger transition to online delivery of TV programmes, and the regulatory regime lags far behind, so we should not miss any opportunity presented by the Bill to do something about this ever-changing situation. A growing number of existing and future services are being left out of scope, from BBC iPlayer to the now online-only youth service BBC 3, and from the new BBC iPlayer Kids, offering access to the best BBC kids' content, to the upcoming iPlay, which will be a front door to the best British children's content from any provider. Equally out of scope in the current regime are growing numbers of major gateways to accessing public service broadcaster content. The number of connected television sets in the UK is expected to nearly triple over the course of this Parliament, from 11 million to 29 million.

2.45 pm

While public service broadcasters are doing all they can to negotiate commercially the prominence that their audiences expect, that is becoming harder all the time. Services that pay for prominence can increasingly be prioritised over public service broadcasting services such as BBC iPlayer, or on connected TV. In other words, PSBs can increasingly be gazumped. This problem is faced by public sector broadcasters in general, and it is particularly challenging for the services intended for broadcasting to the nations, especially in the Welsh language—and, in Scotland, the Gaelic language. I am thinking of services such as Sianel Pedwar Cymru, or S4C, and BBC Alba, which carries excellent coverage of the Guinness Pro 12 rugby, and I often watch it for that reason.

The Communications Act 2003 gives Ofcom a duty to ensure that “appropriate prominence” on TV platforms is given to S4C, or “S Pedwar C”, as it is often known in Wales, along with BBC Alba as a BBC service. This has generally resulted in a reasonable degree of prominence. However, on Virgin Media, for example, S4C is channel 166, I believe, and BBC Alba might be channel 167. It is certainly in that range; it is not among the top picks on the prominence list, where you would find channels such as BBC 1 and BBC 2.

The extent varies according to the platform and the geography, but connected TVs such as Sky Q are increasingly relegating the TV guide, and thus access to the nation's TV channels, to a far less prominent position than their own top picks, box sets or movies. In Wales, it takes 11 clicks to get from the Sky Q home page to S4C. That is hardly prominence. TV catch-up players are also

out of the scope of the regime, despite being an ever more popular means of accessing programmes. BBC iPlayer—the largest platform for services such as S4C and BBC Alba on-demand content—has less prominence than the Sky top picks, box sets or movies.

New clause 17 attempts to combat this by adapting public service broadcaster legislation to the existing technological landscape by adding on-demand services such as BBC iPlayer to the list of services to be given prominence. That follows the precedent of TV licensing laws, which were updated from September 2016 to cover BBC on-demand services, which provide a platform for S4C and BBC Alba, as well as TV channels. Such a measure would be in the spirit of the Bill. The Bill is supposed to recognise that the law needs to be updated to take into account the digital present and future. The new clause takes a similar approach to what the Government have already done in increasing the maximum imprisonment for online copyright infringement, which we discussed earlier today. It would, in the same way, correct inadvertent loopholes that have developed in legislation.

Furthermore, modernising the regime would increase the prominence of the nation's services. Some hon. Members may be aware of the intense political battles that were fought in the early 1980s to secure these services. To the credit of the Conservative Government of the time, they did, albeit after an intense political battle, meet their commitment to setting up a Welsh language television service in the form of S4C. There is an obligation on us in this House, and on Parliament in general, to safeguard the prominence of such services, because great sacrifices were made to establish them.

The new clause would also enable the Secretary of State to add, by order, on-demand programming services of commercial public sector broadcasters to the services that she may identify. That affords the Secretary of State greater flexibility than having to identify services—and any necessary public service conditions, such as free availability—in primary legislation. Ofcom would set qualifying criteria to determine which connected TV menus were in scope, and to ensure that the updated regulation would be proportionate and targeted. The qualifying criteria would be based on a relatively high significance threshold; for example, they could capture only those TV platforms that are used by a significant number of people to access TV and on-demand services, such as Sky, Virgin, YouView, BT, TalkTalk, Freeview and Freesat. Ofcom's authority to require such public service broadcasting prominence would be clarified by the replacement of the opaque phrase "Ofcom consider appropriate" with "required by Ofcom".

In summary, new clause 17 shares the principle of levelling the online world with the offline seen elsewhere in the Bill. Updating the Communications Act 2003 would ensure that recent technological developments were not used to undermine the desired outcome of previous legislation on PSB prominence. It would achieve that by extending prominence to on-demand services and the TV on-demand menus where such services are found. It would not only future-proof PSB prominence but safeguard our nations' hard-won services.

As we are also dealing with clause stand part, I will refer briefly to the issues that need to be highlighted in that debate. As we said earlier, section 73 of the Copyright Designs and Patents Act 1988 was first introduced to encourage cable networks to expand and compete against

terrestrial television, but since then, there have been developments such as TV catch-up, as was mentioned by the hon. Member for Selby and Ainsty and others. Given that the clause will repeal section 73—something with which we agree in principle—we will support it. During this debate, we have sought clarity on timetabling, and we are glad that the Minister has given us more information about that; we may need to press further on that.

As public broadcasting has evolved to digital transmission, section 73 continues to support the universal availability of PSB broadcasting to the 250,000 premises where cable is available but a digital terrestrial television signal is not. Some stakeholders feel that the clause as it stands does not take into account the continuing importance of cable, or the repeal's potential effects on that service. Section 73's aim of helping cable to compete may have been met, but it still serves a function in reaching the target relating to broadcasting to those 250,000 beyond a DTT signal.

Virgin Media feels that if the only reason to repeal section 73 is its abusers, such as TVCatchup, there is no reason not to underpin the clause with a guarantee for those who have not and do not abuse PSB content. Other stakeholders feel that the clause merely plugs a hole and does not sufficiently streamline the current system, which consists of four different types of broadcasting. Consultation or no consultation, the fact remains that the clause was hastily written, and it is not clear that all its implications have been understood. We may wish to return to some of the issues in this clause later in the Bill.

**The Chair:** I call Calum Kerr.

**Matt Hancock:** Hear, hear!

**Calum Kerr:** Oh, the curse of a word of praise from the Minister! I thank him none the less.

I support these two excellent new clauses tabled by Labour Members. I was delighted to hear the Minister say in response to the debate on the last clause, "We strongly support public service broadcasting." Hot on the heels of that, the Opposition have provided him with an opportunity to put his money where his mouth is and show that he truly does. I think—at least, I hope—that we all support public service broadcasting, but there has been a lot of chat in this place about the PSB funding settlement and about it not encroaching on competition. Let us push beyond that to consider how to support public service broadcasters. Let us find a way to ensure that they maintain their place in an adapting world.

I will touch briefly on both clauses. New clause 14, on the review of listed events, is close to my heart. I note that the football World cup is one of them; I do not know whether we can table an amendment to ensure that Scotland has a chance of getting there—

**Kevin Brennan:** You're going too far.

**Calum Kerr:** I thought so. At least when we eventually get there, we will not expect to win it, unlike others.

**Christian Matheson (City of Chester) (Lab):** Like in 1978?

**Calum Kerr:** “We’re on the march with Ally’s Army. We’re going to win the World cup.”

**The Chair:** Order.

**Calum Kerr:** I will keep to the subject with a bit of brevity and levity.

I support the Labour move to review this whole area to ensure that we have a set of listed events that is fit for purpose and, more importantly, to ensure that the protection will continue. Likewise, we fully support new clause 17 on prominence. The Committee has spent a lot of time talking about the changing digital landscape. There is no doubt that if we do not introduce measures to protect listings, the public service broadcasters will disappear, slide down the pecking order and be harder to find. We will then be on the slow road to an argument that says that public service broadcasting is not as popular as it once was, but the reality will be that it is just difficult to find.

I conclude by thanking the Labour party for beating me to it with both amendments, to which I should have added my name and which I fully endorse.

**Graham Jones:** It is a pleasure to serve under your chairmanship for the first time, Mr Streeter. My hon. Friend the Member for Cardiff West encouraged me to talk about children’s programmes—I was thinking about “Play Away”—and I apologise for not being here earlier. I was observing a NATO training exercise as part of the armed forces parliamentary scheme.

I rise to talk about retransmission charges, and I will do so briefly because I am conscious of the time. We obviously have a listening Minister who is deeply concerned about these matters, and I hope he will go away and give due consideration to some of the points that have been raised, perhaps coming back with some thoughts of his own and some changes that could improve the Bill. On retransmission charges, repealing section 73 of the Copyright, Designs and Patents Act 1988—the intellectual property rights element—is important and welcome. It will put Virgin on an equal footing with the public service broadcasters in the marketplace of buying and selling channels.

I will return to that second issue and the financial impact in a moment, but I will first highlight an anomaly. Unless there has been a change in the last few days, the Bill does not include satellite channels, which fall under the Communications Act 2003. The Sky platform is exempt from the Bill and will not be liable for retransmission charges, which seems to be a market anomaly—I stand to be corrected by the Minister. We should have a level playing field for everyone. Sky benefits significantly not only from the five public service broadcast channels but from some of the other channels—my hon. Friend the Member for Cardiff West has just mentioned S4C and Alba, among others—and the radio stations. Sky has a huge commercial advantage in not paying for receiving something that is very complementary to its platform. We are applying a principle to Virgin, and the Bill should treat Sky equally.

We demand a lot from public service broadcasters, particularly the BBC, for which we pay a licence fee, and it is only right that the BBC should be able to recover some of that money for the licence fee payer in the commercial marketplace, rather than the service being literally given away to some platform providers.

There is obviously a commercial benefit to the Sky platform or, for that matter, any satellite platform that automatically has to deliver PSBs under the 2003 Act. There ought to be something that provides clarity and a level playing field, because without it, Sky has another advantage among the many it already has.

3 pm

My hon. Friend the Member for Cardiff West touched on sports. There is a commercial structure around sports, where we have to look at redistributing some of Sky’s content into public service broadcasting, and around protected sports events. I certainly agree with my hon. Friend, who made a powerful point.

Returning to the retransmission charges, it is important we have a level playing field. Virgin will be charged and I believe Sky will not be—there is nothing in the Bill to suggest that Sky will be forced to pay retransmission charges, but perhaps the Minister has something—

**Matt Hancock:** I will come to that later.

**Graham Jones:** Okay. If the Minister has any proposals, can he provide some clarity? There does not appear to be any and there are many people out there raising questions about this.

The guidance seems to suggest there will be no material change to the relationship between Virgin and public sector broadcasters, despite the repeal of section 73 of the 1988 Act, so I look to the Minister for some advice on where we are with that. The Government expect the relationship to be neutral, with no cost transfer. Will the Minister clarify that and confirm that he is not giving with one hand and taking away with another, but is in fact allowing public service broadcasters, such as the BBC licence fee payer, to receive payments for programmes produced by the BBC and the other public service broadcasters?

I want to pick up on the comments made by my hon. Friend the Member for Cardiff West about new clause 17 and perhaps add my own thoughts. The Government have taken their eye off the electronic programme guide. I would ask them to cast their eye back over it, as my hon. Friend suggested. Eleven clicks to S4C is just ridiculous, but we all see now—when people are reminded and it is pointed out to them, they say, “Oh yes, that is true.” Sky has put the electronic programme guide on the second tier, where there is Sky Box Office, Sky products and Sky everything else. We are seeing a diminution of the electronic programme guide and Ofcom unable to act in the public interest.

This is important because we are talking about a huge commercial space and, very quietly, Sky has clearly adapted that space for the benefit of the Sky platform. Other people are going to come along and we will see that contested. Companies such as Netflix in particular, which wants to enter the market in an assertive manner, want a big presence and are willing to spend a lot of money. Only in the last week, we have seen the amount of money that it has been suggested that Amazon is spending on Jeremy Clarkson’s latest foray into high-speed petrol-head motoring. Is it £160 million? There is a considerable amount of money in the marketplace from these other organisations and broadcast providers, and we are going to start to see the electronic programme guide being contested. In fact, it is already being contested, as Sky has already snatched the front page of the EPG on its platform.

[Graham Jones]

I raise the following points with the Minister: Ofcom currently seems to be behind the curve on this issue and the guidance needs to be updated. We do not want to see public service broadcasters relegated in any way, shape or form. We do not want to see the design or architecture of the EPG manipulated so that maybe the BBC is number one but somehow Netflix catches people's eye more prominently, with small letters for the first five and big graphics for some of the more commercial providers, such as Amazon. It is not just about having slots one to five; Ofcom should be mindful of the actual graphic presentation.

We do not want to see adverts creeping into the EPG either, so Ofcom needs to be absolutely clear in the regulations and guidelines about the type of space that the EPG is. The Government should be mindful not only of platform providers such as Sky, but of TV manufacturers, which will come over the hill and see the space. Someone will turn on their television and, after "LG—Life's Good", the first thing they will see is Netflix in the top corner, before they even click on an EPG. Technology is moving fast and the presentation of available services must have some framework and clearer guidance from Ofcom, because it is important that we do not end up in a world where public service broadcasters are relegated several clicks away from primacy—ITV needs the commercial return and Channel 4 also has a commercial element and needs the returns on advertising. That scenario should not be allowed, as it would affect the broadcasters as a business, along with their funding model and audience figures and therefore their advertisers and advertising revenue. We absolutely must be clear about what the graphical interface and its parameters should be—no adverts—and also about which broader platforms might seek to enter the market, such as TV manufacturers.

I welcome new clause 17. The Government have a lot of work to do on EPG guidance, because this legislation will go down for the next 10 years and in that time we will see incredible technological advancements, with companies wanting to capture that prime retail space. It is incumbent on the Government to step in, not just to make the situation better and more consistent for the viewer but to protect the public service broadcasters, as not only the licence fee payer but the advertiser on the commercial channels is affected. We have a national interest, therefore, in protecting that space. It is important that the Government revisit the EPG guidelines.

I am interested in hearing the Minister's comments on my questions, particularly his clarification regarding Sky and the 2003 Act—I cannot find anything on that in the documentation—and also some reassurance on the EPG.

**Matt Hancock:** Terrific! I am delighted to respond. As we know, clause 28 will repeal section 73 of the Copyright, Designs and Patent Act 1988, which currently provides that copyright in a broadcast of public service broadcasting services, and any work in the broadcast, that is retransmitted by cable is not infringed when the broadcast is receivable in the area of the retransmission. In effect, that means that cable TV platforms are not required to provide copyright fees in relation to core public service broadcasting channels. The provision was brought in at the onset of the cable industry in the UK

to provide for the industry to compete with terrestrial by providing PSB content. However, that was a long time ago and technology, as everyone has noticed, has moved on a long way.

Last year we consulted on the repeal of section 73, and I am glad that there is cross-party agreement on it. The conclusion that the Government reached, and which has been agreed to by the Committee, is that the section is no longer relevant. There are a wide variety of platforms that ensure that virtually everyone in the UK is able to receive public service broadcasts and, following the completion of the digital switchover in 2012, digital TV services are now available to more than 99% of customers, whether through terrestrial, satellite, cable or fibre platforms. The cable market has moved from a large number of local providers in the 1980s, when section 73 was introduced, to one big one, and it has also gone up massively in scale, from hundreds of thousands to more than 4 million subscribers.

We are satisfied that the objective of ensuring that PSB services are available throughout the UK has been met. Therefore, section 73 is no longer required. Moreover, as my hon. Friend the Member for Selby and Ainsty pointed out earlier, this also closes a loophole, because live streaming services based on the internet are broadcasting TV programmes and relying on section 73 to exploit PSB content by retransmitting channels and selling advertising around the service without any of the benefit flowing to the PSBs. I think we all agree that is wrong, so I am glad there is cross-party support for the change.

Let me respond to some of the questions that were put, looking first at new clause 14. I am a strong believer in the listed events system. Major events such as the Olympic games and the FA cup final draw huge audiences. The listed events regime has worked well. The status of these events, as listed events, boosts them and their broadcast to the nation brings us together. I am delighted that the SNP supports the listed events regime as well. I fear I am going to have to resist the SNP's suggestion that we should use the listed events regime to ensure that Scotland is always in the World cup finals, in the same way that we cannot legislate for the tide never to come in or the sun never to set, but it is very important and it is close to people's hearts.

The right to broadcast listed events must be offered to qualifying channels, defined as those that are received without payment by at least 95% of the UK population. Ofcom is responsible for publishing the list of channels that satisfy those criteria. We have no evidence to suggest that recent developments, with more online viewing, will put the BBC or other PSBs at immediate risk of failing to meet these qualifying criteria. I know that concern has been raised, but I have discussed it with the BBC and Ofcom, I have gone into the details, and I am not convinced there is a risk in the near term at all.

**Kevin Brennan:** I did say that, because of the criteria's increasingly outdated nature, the 95% threshold will probably not be met by any TV channel at some stage during this Parliament. Is the Minister telling the Committee that that is categorically wrong?

**Matt Hancock:** Yes; I disagree with that analysis. Were that to become the problem, then we would need to act, because we support the listed events regime. However, we do not agree with the analysis that the

hon. Gentleman has put forward, not only because of the measurement on the existing, most restrictive definition of the 95%, but because the definition of qualifying channels are those that are received without payment. There are many ways to receive a channel without payment, including online, so viewers moving from terrestrial TV to online does not necessarily—and in my view does not—remove them from that 95%.

**Kevin Brennan:** The Minister has made the point, and I thank him for making it categorically: he believes that that will not happen during this Parliament. However, he also said that if it were to happen, the Government would have to act. Is that not the very reason why he should support the new clause? It would give legislative backing to the Government to produce a report to examine what ought to be done in those circumstances.

**Matt Hancock:** No, because I do not think that is going to happen. The hon. Gentleman also raised the question of what we should do if the legislative underpinning of the regime were to collapse. He came up with a specific proposal. I think that the proposal is itself flawed because it was to switch the measure from channels received without payment to those that are viewed, and that changes its nature significantly: from channels that are received, so can be viewed by somebody, to those channels that are viewed, which would be far more restrictive in terms of the channels that could then provide listed events. It is not a surprise to me that it is incumbents who want to make that argument because they are the ones that are watched, as opposed to those that can be watched.

**Kevin Brennan:** The Minister alluded at the end to the fact that we are not making that proposal in our new clause. We were rehearsing that argument during discussion of the new clause. Obviously he does not agree with it, but it is important to put on the record that that particular proposal is not in the new clause. It asks for a report.

3.15 pm

**Matt Hancock:** I am grateful for that clarification. We will obviously keep the matter under review. It is important that the listed events scheme continues to operate. I could not be clearer in our assessment of the definition of qualifying channels based on the existing statute. A specific review within 12 months of the legislation's coming into force is in my view not necessary, but we will keep the situation under close review.

New clause 17 would amend the public service broadcaster prominence review. The hon. Member for Hyndburn made a powerful and eloquent speech with some incredibly good points in it. The new clause would extend the prominence provisions to on-demand services such as catch-up TV and connected TV on-demand menus. The matter was considered in the balance of payments consultation. We have very strong support for S4C and some of the other channels mentioned in the debate, but our conclusion was that we have not seen compelling evidence of harm to PSBs to date, so we decided not to extend the EPG prominence regime at this stage.

In a way, the debate has brought out the challenges in this area. The hon. Gentleman started talking about the description of the graphical representation on an EPG,

and the discussion can easily get into acute micromanagement of an EPG when the increasing integration of TV and internet services makes that more rather than less redundant. I therefore caution against an attempt at extreme micromanagement of the interface.

**Graham Jones:** The Minister flags up a cautionary point, but I again ask him a question I asked earlier: if he had a graphical interface with tiny letters that fulfilled its obligations, but at the bottom it said, "Amazon" and "Netflix"—it effectively had some commercial advertising—would he be happy to see that? Would that satisfy his current position? Alternatively, would he reflect and think, "That is not quite right"?

**Matt Hancock:** The hon. Gentleman is a great man who is worried about my happiness, but this is not about my happiness; it is about what is best for public service broadcasting and the PSB compact. My response is that it is for Ofcom to issue guidance on ensuring that the EPG works. It is better done that way, so that it can be proportionate, flexible as technology changes over time and not micromanaging things. The guidelines do that and pull that off. That is why when we considered the proposal as part of the consultation, we decided not to go there.

**Graham Jones:** I welcome the opportunity to engage in the issue, but when the Minister looks at Sky taking over the splash screen and relegating the EPG to the second tier—obviously Ofcom cannot act in that case, or it would have done already—is he happy?

**Matt Hancock:** Again, my happiness is secondary really, but my problem with the proposition being put forward is that trying to define sub-menus and user interfaces in regulation, especially statutory regulation, is incredibly hard. The technological landscape is shifting quickly. It is best left to the Ofcom guidance to answer such questions. We looked into the matter in some detail in the consultation, so I hope that the hon. Gentleman will withdraw his support for the new clause.

**Kevin Brennan:** The Minister is saying that it is up to Ofcom to decide, but is not the point that what we are trying to do here is exactly what Ofcom is proposing?

**Matt Hancock:** No, because it is for Ofcom to issue guidance on linear EPGs. Ofcom is required as a duty to make the system work. Rather than going further down this route, having considered it, we do not want to be over-prescriptive, given the technological changes that are happening. With that, I hope that hon. Members will withdraw their amendment and then vote that clause 28 stand part of the Bill.

**The Chair:** We will, of course, be voting on any new clauses not today but later in our proceedings. Does Mr Brennan have any remarks to make?

**Kevin Brennan:** Yes, briefly. As you say, Mr Streeter, we will come to the new clauses later in the Bill. I do not think that it will necessarily be our intention at this point—we will cogitate further—to push them to a vote, but there are issues here to which we might want to refer on Report. One of my colleagues has pointed out

[Kevin Brennan]

that the Minister did not answer a question about Sky. Rather than making another speech, does he want to intervene during my brief remarks?

**Matt Hancock:** As I said in the discussion of the previous set of amendments, Sky is subject to a different regulatory regime. There are conditional access charges for satellite within that regime, which must be fair, reasonable and non-discriminatory for all channels. We considered that as part of the balance of payments consultation and came to the conclusion that it did not need to be changed, because of the requirement set out in the DPS code.

**Kevin Brennan:** I am grateful to the Minister for saving us time with that helpful intervention.

**Graham Jones:** This is an opportunity to ask my hon. Friend a question. There seems to be some doubt about the relationship between Sky's retransmission charges and public service broadcasters. Does he know whether Sky pays for public service broadcasters? I understand that Sky pays for ITV commercial channels, but as I understand it, it does not pay anything for public service broadcasting.

**Kevin Brennan:** We discussed this issue, and the nature of that regime, earlier today. My observation was that the situation was extremely opaque, which is why we proposed earlier amendments to the Bill to suggest that the whole area should be reviewed—for that very reason. My hon. Friend makes an extremely pertinent point. It will be worth reading his remarks, and those made earlier today by Government and Opposition Committee members, on that point.

When we discussed new clause 14, which deals with listed sporting events, I worried that there is a degree of complacency in the Government. People will have heard what the Minister said about the issue, and we will be interested to hear what others have to say about his response. We should lay down a marker to say that we do not think that the Government are really listening or hearing what we are saying about this subject, and they are not sufficiently attuned to the dangers to listed sporting events. I know that the Minister is a keen and successful sportsman in his jockeying activities, on which I congratulate him. I am sure that he would want to see—

**Matt Hancock:** Not the Grand National, though.

**Kevin Brennan:** National hunt or flat? I cannot remember.

**Matt Hancock:** Flat.

**Kevin Brennan:** He is a flat racing jockey—and, from what I have seen, a very good one—but he should be concerned about the possible future of events such as the Grand National, which, as he rightly said, bring the country together and are meaningful and important cultural events as well as sporting ones.

On new clause 17 and PSB prominence, again, the Minister says that he has not seen compelling evidence of harm, but I think that we supplied him with plenty of compelling evidence of the potential for harm, which is

what the Bill is about. It should be about the digital future, as we have said. I take his point about extreme micromanagement—that is valid—but we are not talking about that; we are talking about setting clear parameters to ensure that public service broadcasting prominence remains across all platforms. Although we are unlikely to press the new clause to a vote later, we reserve the right to return to these issues.

*Question put and agreed to.*

*Clause 28 accordingly ordered to stand part of the Bill.*

**The Chair:** We are catapulted into part 5 of the Bill.

## Clause 29

### DISCLOSURE OF INFORMATION TO IMPROVE PUBLIC SERVICE DELIVERY

**Louise Haigh (Sheffield, Heeley) (Lab):** I beg to move amendment 98, in clause 29, page 28, line 25, leave out “had regard to” and insert “complied with”.

*This amendment provides stronger compliance with the code of practice on the disclosure of information.*

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

Amendment 100, in clause 30, page 29, line 33, leave out “had regard to” and insert “complied with”.

*This amendment provides stronger compliance with the code of practice on the disclosure of information.*

Amendment 99, in clause 32, page 30, line 13, at end insert—

“(1A) In determining whether to make regulations under section 29, 30 or 31 the appropriate national authority must ensure that—

(a) the sharing of information authorised by the regulations is minimised to what is strictly necessary,

(b) the conduct authorised by the regulations to achieve the “specified objective” is proportionate to what is sought to be achieved by that conduct,

(c) a Privacy Impact Assessment compliant with the relevant code of practice of the Information Commissioner's Office has taken place and been made publicly available,

(d) the proposed measures have been subject to public consultation for a minimum of 12 weeks, and responses have been given conscientious consideration.

(1B) As soon as is reasonably practicable after the end of three years beginning with the day on which the regulations come into force, the relevant Minister must review its operation for the purposes of deciding whether these should be amended or repealed.

(1C) Before carrying out the review the relevant Minister must publish the criteria by reference to which that determination will be made.

(1D) In carrying out the review the relevant Minister must consult—

(a) the Information Commissioner, and

(b) open the review to public consultation for a minimum of 12 weeks, and demonstrate that responses have been given conscientious consideration.”

*This amendment seeks to reduce the risk of successful legal challenges. Challenges are often made on grounds of privacy and this would amend that to increase privacy safeguards.*

Amendment 96, in clause 32, page 30, line 33, at end insert—

“(3A) A particular person identified in personal information disclosed under sections 29, 30 or 31 is able to request to a specified person under subsection 29(1) that the personal information is modified and corrected if necessary.”

Amendment 95, in clause 32, page 30, line 34, leave out

“(including a body corporate)”

and insert

“, a group of persons, a private company or a publicly traded company irrespective of their size and revenue, but”.

Amendment 105, in clause 35, page 32, line 31, leave out “have regard to” and insert “comply with”.

**Louise Haigh:** I am very grateful to my hon. Friend the Member for Cardiff West for giving me some much-needed time off. I do not wish to disappoint the Minister by not being as brief as we were earlier, but I am not sorry, because part 5 really does require some further scrutiny. I think the Government know that it was not ready for Committee, not least because they have tabled several dozen amendments to it, but also because the codes of practice were not in good enough shape last week, according to the Information Commissioner, but were published just a few days later—some civil servants were clearly working overtime in the intervening period.

Clause 29 allows specified persons to share data for a specified objective. All national authorities will be enabled to lay regulations through secondary legislation for exactly what those data-sharing arrangements will be and what they will be for. In doing so, this clause lays out that they will be required to ensure the secure handling of information and to have regard to the codes of practice. Our amendments seek to strengthen this and to ensure that anyone involved in the sharing of data under these new powers is in full compliance with the codes of practice that were published last week.

I want to be very clear here: the Opposition do not oppose the Government’s sharing data among themselves to improve policy making and public services, but we must get this absolutely right and we are still a long way away from that, given the state of the current proposals. This is a key point: the public support the sharing of data to better enable the Government to provide services and to better enable the public to make use of those services, but public trust is fragile and has been rocked in recent years by varying degrees of incompetence in managing those data. Before Government Members point out that previous Labour Administrations were just as guilty, I should say that I fully accept that. This is not a political but rather an administrative point, which is why such proposals need to proceed with the utmost caution.

The Information Commissioner produced a very instructive report on this very point, which is extremely important to this part of the Bill, because it demonstrates the circumstances in which the public are happy for their data to be shared. The commonly recurring themes of what the public want regarding data could not be clearer: they want control over their data; they want to know what organisations are doing with those data; and they want to understand the different purposes and benefits of sharing their data. In that context, 63% of people agreed that they had lost control over the way in which their data are being used. This demonstrates that if there is to be sharing of data, which we support, there must be very clearly defined safeguards based on consent and transparency.

This part of the Bill gives considerable powers to Government to share data, but there are essentially no safeguards built in to ensure privacy, data protection, proportionality and a whole host of other principles

that should sit alongside data sharing. It is vital that these reforms go ahead and we are completely in favour of effective data sharing across Government to achieve public sector efficiencies, value for money, improved public sector services, take-up of benefits for the most vulnerable, such as the warm home discount or free school meals, and, most importantly, an improved experience for those who use public services.

The Minister for Digital and Culture claimed in an evidence session that the safeguards are in the Bill, but that is simply not the case. I would be grateful if the Parliamentary Secretary, Cabinet Office outlined what safeguards he thinks there are. As I, a relatively amateur observer, as well as those who are much more expert in the matter read it, the safeguards are to be added at a later date, written up by the Government and consulted on with people whom the Government deem fit to consult. Furthermore, there is absolutely nothing the public sector does that is not covered by the clause. I would be grateful, therefore, if the Minister gave us a single example that that—I quote from the clause—for the purposes of

“the improvement of the well-being of individuals or households”, or of improving “the contribution made by them to society”, would not deliver.

3.30 pm

The codes that were published last week gave examples of objectives that would fall foul of those criteria, including those that are punitive. It is useful to see the examples, but it is of concern that the Bill does not explicitly exclude a punitive objective. The codes also include examples of objectives that are too general rather than too specific, and it would help if the Minister said exactly where the line about what is too specific is drawn. Improving levels of safety in a neighbourhood is given as an example of an objective that is too general, but would reducing the number of burglaries in a neighbourhood, for example, be specific enough?

The Government have stated that the proposed powers are to support:

“The delivery of better targeted and more efficient public services to citizens; The detection and prevention of fraud against the public sector and citizens to manage debt more effectively; and better research and official statistics to inform better decision-making.”

Of course, no one could disagree with any of that and the majority of respondents and, in fact, all the witnesses we saw two weeks ago, agreed with the purpose of the proposals. However, as the Government’s summary of responses to their consultation, “Better use of Data in Government” stated:

“The majority of responses were supportive of the proposals and the need to ensure appropriate safeguards, accountability and transparency are in place to build trust with citizens on the usage of their data.”

Crucially for the purposes of the debate, several respondents favoured such measures being in primary legislation as opposed to codes of practice.

Not only are the objectives not limited in the Bill, but the bodies that can share or receive data are not particularly limited. Subsection (3) states:

“A person specified in regulations under subsection (2) must be—

(a) a public authority, or

(b) a person providing services to a public authority.”

The Government's consultation set out that they intend to proceed with proposals to enable non-public sector organisations that fulfil a public function on behalf of a public authority to be in scope of the powers. They said, in response to their consultation:

"We will strictly define the circumstances and purposes under which data sharing will be allowed, together with controls to protect the data within the Code of Practice. We will set out in the Code of Practice the need to identify any conflicts of interest that a non-public authority may have and factor that information in the decision-making".

It seems pretty comforting that the Government will strictly define the circumstances and clearly identify conflicts of interest. It is right that they do that, given that the majority of the respondents supported the proposals, "as long as appropriate strict controls are in place to safeguard citizen data against misuse."

Again, I quote from the Government's consultation.

**Calum Kerr:** It is good to see the shadow Minister back in her place. She is making an excellent start to this section of the debate, pulling out many of the key issues. I am afraid that the ministerial team might not like the scrutiny that the process is supposed to provide—and essentially does. The point about transparency is critical and there is a confidential submission that points out that transparency does not prevent people from doing anything; it simply requires them to be accountable for what they do. We have recently seen the case of HMRC outsourcing to Concentrix the ability to collect tax credits. Data from another source were used, and we all know the damage that can be done when that is not done well.

**Louise Haigh:** I am grateful for that intervention. I am very aware of the Concentrix case and will come on to it shortly.

On the inclusion of non-public sector authorities and the Government's intention to strictly define the circumstances and purposes under which data sharing with such organisations will be allowed, their statement of intent was clear. However, only one paragraph in the 101-page draft code mentions non-public sector organisations. That paragraph says that an assessment should be made of any conflicts of interest that the non-public authority may have but it does not give any examples of what those conflicts of interest might look like, so perhaps the Minister will elaborate on that when he responds. It states that a data-sharing agreement should identify whether any unintended risks are involved in disclosing data to the organisation—the risk regarding Concentrix was just highlighted—but the code of practice does not list any examples or set out how specified persons might go about ascertaining those. It also states that non-public authorities can only participate in a data-sharing agreement once their sponsoring public authority has assessed their systems and procedures to be appropriate for the secure handling of data, but it does not give any sense of what conditions they will be measured against or how officials should assess them.

That is not the kind of reassurance that was provided in the Government's consultation response. Given that these are draft codes, I hope the Minister will take what I have said away and improve them, not least because of the recent scandal relating to the US multinational company, Concentrix, which was contracted by HMRC to investigate tax credit error and fraud. Concentrix

sent letters to individuals—mostly working single mothers across the country receiving tax credits—in what was essentially a large-scale phishing exercise. Not only did it get things catastrophically wrong by cancelling benefits that it should not have cancelled and leaving working mothers destitute over many weeks and months in some cases, but it performed serious data breaches in sending multiple letters to the wrong individuals and disclosing personal information.

We have made it very clear that the Bill could have done with considerably more work before it was brought before the House. I understand that the civil servant who wrote part 5 has now left, or is in the verge of leaving, the employ of the civil service, so there is even more reason for us to work cross party and with expert organisations on improving the proposals.

As I have said, public trust in Government handling of data is not strong. Unfortunately, the public have not been given any reason to put their concerns to rest. The recent National Audit Office report, "Protecting information across government", revealed the prevalence of weak controls on the protection and management of personal information in Government. Any continuation of the existing poor information management identified by the NAO, or the further weakening of cyber-security and data protection implied by part 5, is likely to have negative economic and social impacts.

As the Information Commissioner's Office commented:

"It is important that any provisions that may increase data sharing inspire confidence in those who will be affected. Our research shows that the public are concerned about who their data is shared with and reflects concerns that they have lost control over how their information is used. Even apparently well-meaning sharing of data such as GP patient records for research purposes can arouse strong opinions."

This is an important time to strengthen cyber-security and the minimisation and protection of data, which is why it is so important to get this part of the Bill right. A huge prize is on offer, but this has the potential of going the way of the care.data scandal. Frankly, it is astonishing that neither Ministers nor civil servants have learnt their lessons from that very regrettable episode, because there was absolutely nothing wrong with the principle of care.data either; it attempted to achieve exactly the kind of aims as the Bill's reforms.

The idea was to create a database of medical records showing how individuals have been cared for across the GP and hospital sectors. Researchers believed that the information would be vital in helping them to develop new treatments as well as assessing the performance of NHS services. The records would be pseudo-anonymised, meaning that the identifiable data would be taken out. Indeed, they would just contain the patient's age range, gender and the area they lived in. However, researchers could apply for the safeguards to be lifted in exceptional circumstances, such as during an epidemic. That would have needed the Health Secretary's permission.

The concept had the backing of almost the entire medical community, many charities and some of the most influential patient groups. The UK's leading doctors told us how access to so many NHS records would help them to understand the causes of disease, quickly spot the side effects of new drugs and detect outbreaks of infectious diseases.

The problem with care.data was that the advantages and the principles upon which the data would be shared were simply not communicated by the Government or

by NHS England, and so it attracted the criticism of bodies as disparate as the British Medical Association, the privacy campaign group Big Brother Watch and the Association of Medical Research Charities. Such was the botched handling of the publicity surrounding care.data that, by April 2014, the launch was aborted. However, it emerged the following June that nearly 1 million people who had opted out of the database were still having their confidential medical data shared with third parties, because the Health and Social Care Information Centre had not processed their requests.

A review by the National Data Guardian, Dame Fiona Caldicott, found that care.data had caused the NHS to lose the trust of patients, and recommended a rethink. That prompted the then Life Sciences Minister, the hon. Member for Mid Norfolk (George Freeman), to announce that the scheme was being scrapped altogether, even though £7.5 million had already been spent on constructing a database, printing leaflets, setting up a patient information helpline and researching public attitudes to data sharing.

The Caldicott review established a set of Caldicott principles, with the primary one being that the public as well as the professionals should be involved in data-sharing arrangements. Dame Fiona Caldicott proposed a simple model that gives people the option to opt out of any of their information being used for purposes beyond care. She said:

“We made it slightly more complicated by saying it was worth putting to the public the choice of having two separate groups of information to opt out of – [those being] research and information used for running the health service. If you put all of the possible uses of data currently in the system together and asked people to opt in or out of that, it’s actually asking them to make a choice about a very big collection of information. [People] may want to have the possibility of saying, ‘Yes, I’d like my data to be used for the possibility of research, but I don’t want it to be used for running the health service’.”

She also made it very clear that the benefits of data sharing and what it means need to be communicated clearly to the public, as there is a lot of confusion around how the data are shared.

Absolutely nothing has changed since that disaster and the subsequent review, so it is concerning not to see those basic principles included in the Bill. I am interested to hear the Minister’s response to those principles laid out by the National Data Guardian. The public need to be able to trust organisations that handle their data and they need to retain control over those data. Both those things are essential to build confidence and encourage participation in the digital economy. The principles have been debated over the past several years at the European level, and we should be told here and now—today—whether the Government intend to implement the EU’s General Data Protection Regulation. If they are, why is the Bill not compliant with it?

The new EU GDPR and the law enforcement directive were adopted in May and will take effect from May 2018. The GDPR includes stronger provisions on: processing only the minimum data needed; consent; requirements on clear privacy notices; explicit requirements for data protection by design and by default; and on carrying out data protection impact assessments.

Although the Government’s arrangements for exiting the European Union have yet to be decided, it seems likely that the GDPR will take effect before the UK

leaves, so the Government will have to introduce national level derogations prior to its implementation. If that is the case, there will have to be a thorough consideration of the impact of the new legal framework on all aspects of the Bill affecting data sharing, including implementation arrangements. Indeed, as the Information Commissioner said when giving evidence to the Committee two weeks ago:

“There may be some challenges between the provisions and the GDPR... There would be a need to carefully review the provisions of this Bill against the GDPR to ensure that individuals could have the right to be forgotten, for example, so that they could ask for the deletion of certain types of data, as long as that was not integral to a service.”—[*Official Report, Digital Economy Public Bill Committee*, 13 October 2016; c. 112-13, Q256.]

The GDPR states that data are lawfully processed only if consent has been given by the individual, which is completely lacking in this section of the Bill. It also gives data subjects that right to withdraw consent at any time:

“It shall be as easy to withdraw as to give consent.”

Controllers must inform data subjects of the right to withdraw before consent is given. Once consent is withdrawn, data subjects have the right to have their personal data erased or no longer used for processing.

3.45 pm

Part 5 makes little mention of security or privacy, or how such data sharing will comply with obligations around informed consent and the ability to revoke consent. It is not explained, for example, how it will be possible for a citizen to revoke consent if data have been copied and passed on to third parties, particularly if it was done without their knowledge. Once digital data are held by third parties and no longer under the control of their original owner, it will be difficult to know who has a copy and equally difficult for a citizen to revoke consent to the access and use of such data.

In fact, the Bill makes no mention of consent at all, and the codes are clearly not designed to support a consent-based model. If that is not the case, we would be grateful if the Minister confirmed on exactly what principles the codes were designed and what principles should always be adhered to, in his opinion, when sharing data. In the consultation, the Government said that the following principles should apply:

“no building of new, large, and permanent databases, or collecting more data on citizens; no indiscriminate sharing of data within Government; no amending or weakening of the Data Protection Act; and safeguards that apply to a public authority’s data (such as HMRC) apply to the data once it is disclosed to another public authority (i.e. restrictions on further disclosure and sanctions for unlawful disclosure).”

If the Government hold those principles so dear, why were they not included in the Bill? Where are the principles for transparency, security, necessity, data minimisation and proportionality?

Further issues with the lack of safeguards in primary legislation include the fact that privacy must only be considered; it is not a right. There is no reference anywhere to the role of data protection officers, who are critical for public bodies; that is surely an oversight given the requirements on data protection officers in the general data protection regulation. There is also no mention at all of transparency, which is particularly conspicuous by its absence. The Bill completely lacks any requirement for transparency about what data flows

already exist and what new ones will be established. Care.data was only an exception insofar as it hit the public domain first.

We will table a new clause later in the Bill that will make transparency mandatory in a public register of data sharing agreements. Full transparency helps build trust in the process, so the details do not matter. If there is no transparency, there can be no trust in the process. Transparency must be absolutely central to the process, alongside privacy and security. We would argue that it is the most important principle on which the proposals should be built.

The Government seemed to agree during the public consultation and design of their proposals, but I am afraid that we simply do not trust the Government's current data practices, if the concerns raised by ex-Government employees tasked with improving those practices are anything to go by. Last summer, the Government Digital Service experienced a mass walkout over the Cabinet Office's failure to get to grips with Government digitisation. We heard from the former head of that service during an evidence session about his deep concerns about the proposals. Those concerns were expressed by an individual whose job it was to promote data sharing around Government to improve public service delivery.

We want the Government to produce a register on data sharing arrangements. We are pleased to see audits mentioned in the codes of practice, but I do not believe that they would actually be possible, based on the current practices that abound across Government. A named day question was asked of the Cabinet Office last week about whether it had an audit of the data sharing arrangements across Government. Although the deadline for the answer to that question was yesterday, we have yet to hear whether the Government even know who is sharing what across Government, how they are doing it, why they are doing it and how the data are being secured and protected—never mind what ISDN lines run to each Department, enabling other agencies, other organisations and perhaps even other Governments to look up data held by Government.

We will come back to those points during later debates, but I hope that the Minister can assure us, in relation to clause 29, that he is getting a grip on the issue, particularly given the significant new powers that the clause imparts to the Government. The Government consultation said:

"Transparency was a key recurring theme raised by citizens and representatives from across the range of sectors. The view expressed was that trust could be built by ensuring that citizens could understand what data was being accessed, how it was being used and for what purposes."

However, the public have not yet even seen the draft codes of practice, as they have not been made available on the parliamentary or Government websites. It puts the more than two-year consultation process to shame that we cannot even invite debate from the public on this vital part of the Bill. Ministers claim that the legislation resulted from the open policy-making process, but we heard from several witnesses that that was not actually the case. Many were surprised, to say the least, by the proposals published in the Bill, as they bore no relation to the discussions or proposals put before them as part of that process. One organisation's written evidence is incredibly damning. It states:

"The Cabinet Office misled everyone involved, wasted a vast amount of time and goodwill, and went ahead with doing what they were going to do anyway. At the very last minute, they vastly

expanded the scope of the work, with the only material provided in non-aural form being the presentation title and the department of the civil servant presenting. The process ignored the hard problems, and did whatever the Cabinet Office wished to do in the first place."

**The Chair:** Order. May I gently assist the hon. Lady by saying that I am not sure she has referred to her amendments much yet? She is making an excellent clause stand part speech. This will certainly now be the clause stand part debate, but it might help the Committee if she came on to her amendments as soon as possible.

**Louise Haigh:** Of course. Thank you very much, Mr Streeter.

Our amendments would ensure that the codes of practice, which have been vastly improved over the past week, are statutory. It is important that the principles and safeguards outlined so far are included and are statutory. That is what I have been alluding to so far in my speech. It seems pointless for civil servants to have put all this work into the codes for them merely to be regarded, rather than statutorily complied with. The codes must be improved further, and we hope that Ministers and officials will work with the industry and organisations to do just that, but we want to see them referenced properly in the legislation and properly complied with. Anything less means that the powers enabled in the clause dwarf any safeguards or checks included in the codes.

Amendment 99, in my name and that of my hon. Friend the Member for Cardiff West, would help to build trust in the Government's data-sharing provisions—trust that has been rocked over a number of years. That trust is absolutely essential if this extension of the Government's data-sharing powers is to be effective. It is worth noting again that the draft regulations allow a significant extension of data-sharing powers with a significant number of Departments. That extension is rightly set within defined and strict criteria, but some of the definitions contained within those criteria are at best vague.

Subsection (8) of clause 29 allows for the sharing of data if it is of defined "benefit" to the individual or households. Subsection (9) allows for the sharing of data if it

"has as its purpose the improvement of the well-being of individuals or households."

While the extension is ostensibly for tightly defined reasons, those reasons are in fact so broad that they could refer to anything at all.

We again come back to the point about public trust. The public want to know why their data are being shared and that it is strictly necessary. Amendment 99 would help build that trust by ensuring that, under clauses 29, 30 and 31,

"the sharing of information authorised by the regulations is minimised to what is strictly necessary...the conduct authorised by the regulations to achieve the "specified objective" is proportionate..."

and that

"a Privacy Impact Assessment...has taken place".

The amendment would require the Minister to establish a review that consults the Information Commissioner and the public on the effectiveness of the measures. The amendment would require the Minister, after a three-year period, to review the operation of these provisions to decide whether they should be amended or repealed.

A similar measure is included in the Bill in the provisions relating to data sharing for the purposes of the collection of public debt, so it is puzzling that it is not included in this part, too, as these provisions are so much broader and just as risky, if not riskier. Individuals are right to be anxious about their sensitive data being shared. The amendment would allow for the public to be reassured that their data are being handled within the strictest confines.

Amendment 96 would give individuals a right to access and correct their own data. Empowering citizens to have access to and control over their own personal data and how they are used would clearly help improve data quality. Citizens could see, correct and maintain their own records. Data need to work for people and society. Citizens need to be actively engaged in how their data are secured, accessed and used. Again, that needs to be put on the face of the Bill.

Part 5 does not make clear how proposals to data share comply with the Government policy of citizens' data being under their own control, as set out in paragraph 3 of the UK Government's technology code of practice. Indeed, the proposals appear to weaken citizens' control over their personal data in order for public bodies and other organisations to share their data. Weakening controls on the protection of their data is likely to undermine trust in the Government and make citizens less willing to share their data, challenging the move towards digital government and eroding the data insights needed to better inform policy making and related statistical analysis. That type of organisation-centred, rather than citizen-centred, approach characterised the failure of the top-down imposition of care.data in the NHS. That is why we tabled these amendments.

**The Parliamentary Secretary, Cabinet Office (Chris Skidmore):** It is an honour to serve under your chairmanship, Mr Streeter, and to be standing here making my Committee debut. The hon. Member for Sheffield, Heeley is obviously new to the business as well, and I hope to follow her example. She has been gracious and proportionate in holding the Government to account. I hope we can have a full and frank exchange—hopefully, a rapid one—as we move through part 5.

The Government share information every day. Like every organisation, we rely on information to deliver the support and services that everybody relies on. These proposals will not do anything radical. They are simple measures designed to provide legal clarity in uncontroversial areas. The hon. Lady said that the Bill's objectives are too broad, but I am afraid I disagree. We have made available draft regulations that set out three clear objectives, which are constrained and meet the criteria. I believe it is possible to strike a balance between the regulations and the evidence to set out specific objectives on identifying individuals and households that have multiple disadvantages, improving fuel poverty schemes and helping citizens retune their televisions when the broadcasting frequency is changed in a couple of years' time.

The hon. Lady mentioned some specific examples. I want to turn to the fuel poverty schemes. When we look at those several years down the line, I genuinely believe that we will be proud to have sat here and legislated in a Committee that introduced data-sharing measures that enable, for instance, a significant number of vulnerable people to benefit from the warm home discount scheme. At the moment, about 15% of warm home discount

scheme recipients are classed as fuel poor, according to the Government's definition. By utilising Government-held data on property characteristics to benefit the recipients, we estimate that that figure could be at least tripled. That could mean that an additional 750,000 fuel poor households receive a £140 rebate off their electricity bill each year.

We know that some vulnerable households miss out on the warm home discount because they need to apply and they either do not know the scheme exists or, for one reason or another, are unable to complete an application. Our proposed changes could result in the majority of the 2.1 million recipients receiving the rebate automatically. It will come straight off their energy bills without the need to apply. That is simply an extension of the data-sharing measures that already exist in the Pensions Act 2014 for pension credit. It is evolution, not revolution.

That example clearly sets out how we will require data to be shared among Government organisations and for there to be a flag to suppliers of eligible customers. In that instance, we will require the suppliers to use data only to support customers. Each objective will require a business case setting out the purpose and participants, which will be approved by Ministers and subject to parliamentary scrutiny.

I note that we are debating clause 29 stand part as well as the amendments, so after talking generally about part 5, let me move on to the clause. I believe that these powers do not erode citizens' privacy rights. They will operate within the existing data protection framework. The new powers explicitly provide that information cannot be disclosed if it contravenes the Data Protection Act 1998 or part 1 of the Regulation of Investigatory Powers Act 2000. Further, they are carefully constrained to allow information to be shared only for specified purposes and in accordance with the 1998 Act's privacy principles.

The new codes of practice, which the hon. Lady mentioned—I have been assured that they are on the parliamentary website—have been developed to provide guidance to officials in sharing information under the new powers in respect to public service delivery, fraud and debt, civil registration, research and statistics. The codes are consistent with the Information Commissioner's data sharing code of practice. Transparency and fairness are at the heart of the guidance. Privacy impact assessments will need to be published, and privacy notices issued, to ensure that citizens' data are held transparently. I was delighted that the Information Commissioner wrote to the Committee on 19 October saying:

“Transparency is key to building people's trust and confidence in the government's use of their data. I am pleased to see that further safeguards such as references in some of the codes to the mandatory implementation and publication of privacy impact assessments (PIAs), and reference to my privacy notices code of practice, have been highlighted in the Bill's codes of practice.”

4 pm

**Louise Haigh:** The Information Commissioner also said that she wanted the privacy impact notices to be included in the Bill, and the codes to be explicitly subordinate to her code on data-sharing practices. Will the Minister confirm that those codes are indeed subordinate? Will he also explain why the codes are not included in the Bill if they are so central to the process?

**Chris Skidmore:** I will come to the second point later. On the Information Commissioner's desire to include privacy impact assessments, it is clear to me from her letter that she is now content with the situation as it stands:

"I am content that the codes all now reference and better align with the guidance on sharing personal data set out in our statutory code and include effective safeguards to protect people's information."

**Louise Haigh:** The Information Commissioner was referring to the codes being improved since she gave evidence to the Committee. Later in that letter, which I think the Minister has in his hand, she goes on to say that she stands by the other evidence, both the oral evidence that she gave the Committee and her written evidence, which included her view that privacy impact notices should be in the Bill.

**Chris Skidmore:** The Information Commissioner also mentions that, on privacy impact assessments and with reference to her privacy notices code of practice:

"This will build in transparency at two levels:—"  
in the current situation—

"greater accountability through the publication of PIAs and timely and clear information for individuals so they can understand what is going to happen to their data."

The Government remain committed to working with the Information Commissioner's Office. When it came to the evidence sessions, I was aware of the fact that we had a long process discussion around the codes of practice and when their publication dates were due. It was very important for me, as a Minister, to ensure that we had the confidence of the ICO going forward and that we could publish those draft codes. We will continue those conversations.

When looking at putting the codes or privacy impact assessments in the Bill, it comes back to the key point of being able to continue that conversation when it comes to a transformational technology that we may not even know exists at the moment and that may radically change our ability to look at how we data share. At the moment we are looking at specified portals through which we will data share for the benefit of the most vulnerable in society, but there may be a new technology that allows the Government to expand our scope. If that new technology comes into being and we write the codes and privacy impact assessments into the Bill, we will have the chilling effect of ossifying the practice; it will impact on our ability to adapt and to be able to look at new technology, to move fast and to realise the opportunities that we may have to data share for the benefit of the most vulnerable in society.

**Louise Haigh:** I completely agree that we should not tie ourselves down in the Bill, particularly to technology. It came through loud and clear from the evidence sessions that part 5 seems to tie us to a very outdated approach to data sharing. It does not talk about data access; we heard that an awful lot in the evidence sessions. The Bill goes against the Minister's own guidance on that. We should look not at bulk sharing, which takes us back to when we had filing cabinets or were sending across spreadsheets and databases on USB sticks, but at using application programming interfaces and canonical datasets, on which the Cabinet Office is leading the way. I would appreciate it if the Minister commented on that.

**Chris Skidmore:** The hon. Lady highlights the argument I am trying to make, which is that the data-sharing measures in the Bill are proportionate, constrained and there to ensure that we can bring public confidence with us, which she mentioned. That is why we have highlighted specific portals through which we will be able to share Government information across Departments. In future, there will be secondary legislation powers to review and expand that, but there will be a whole process for which we need scrutiny.

That is why the Bill is so important: by highlighting how we can help those most in need and how, when it comes to data and consent, some people are in circumstances, by virtue of being in deprived communities or particularly vulnerable, of not knowing that they can benefit from their data being shared. It is the Government's responsibility to act in this particular area to ensure that data are shared for the benefit of the most vulnerable. That is why the Bill is designed as it is. We have the secondary regulations in place, limited as they are at the moment, going through impact assessments and everything that we need to ensure that we have a proportionate response to sharing data.

I fully appreciate what the hon. Lady said but I hope that she will accept that the Government have pulled out all the stops to ensure that we can take public confidence with us. That is why, for instance, under clause 33, new criminal sanctions have been developed to protect information shared under the new powers in respect of public service delivery, fraud, debt and research, so those convicted of offences could face a maximum penalty of up to two years imprisonment for illegal data sharing, a heavy fine or both.

No statutory restrictions that currently exist on sharing of data, such as in the Adoption and Children Act 2002, will be affected by these data measures. When it comes to audits, which the hon. Lady mentioned, data-sharing agreements entered into under the power will set out a governance structure of how audits will take place. This structure will oversee the arrangement and what participating bodies are required to do under data sharing. The Information Commissioner's Office also has a general power to conduct audits, including compulsory audits of Departments and organisations to check that they are complying with the law in relation to the handling of personal information. All bodies are required to comply with the ICO's request for assistance so that it can determine whether data have been processed lawfully in data-sharing arrangements. The ICO can pursue criminal proceedings where necessary.

**Louise Haigh:** Will the Minister confirm that every Department that undergoes a data-sharing arrangement will complete a full audit of all data-sharing arrangements in that Department? Will that be available under the Freedom of Information Act?

**Chris Skidmore:** On the individual point of audit, I will have to write to the hon. Lady. I will further consider her amendments and speak about them when we discuss three-year reviews. I want to ensure that bodies sharing information under the public service delivery power, for instance, strictly observe and follow codes of practice. Although I welcome the intention of the amendments, I think they are unnecessary. The Bill sets out the key conditions for disclosing and using information, including what can be shared by whom

and for what purposes. We followed the common approach taken by the Government to set out details of how data are shared in the code of practice.

I want to return to the hon. Lady's question of whether we use "have regard to" or "comply with". The wording, "have regard to" already follows common practice in legislation, as illustrated in section 25 of the Immigration Act 2016 and section 77 of the Children and Families Act 2014. As the power covers a range of public authorities and devolved territories we want the flexibility that I mentioned about how the powers are to be operated, so that we can learn what works and adapt the code as necessary. To put it into the Bill, as I mentioned, would hamper that ability to adapt for future purposes. If bodies fail to adhere to the code, the Minister will make regulations that remove their ability to share information under that power, as is indicated, indeed, in part 11 of the code of practice, which states:

"Government departments will expect public authorities wishing to participate in a data sharing arrangement to agree to adhere to the code before data is shared. Failure to have regard to the Code may result in your public authority or organisation being removed from the relevant regulations and losing the ability to disclose, receive and use information under the powers".

Amendment 106 requires the Minister to run a public consultation for a minimum of 12 weeks before issuing or reissuing a code of practice. The code of practice is essentially a technical document that sets out procedures and best practice with guidance produced by the ICO and Her Majesty's Government. Clause 35 requires the Minister to consult the Information Commissioner and other persons, as the Minister thinks appropriate. I think that that strikes a good balance. Indeed, as I mentioned, we have been working closely with the ICO to ensure that there is confidence in the codes and the Information Commissioner states:

"I am pleased to report that significant progress has been made since my evidence session and I am content that my main concerns about the codes have now been addressed".

I think it is very important to put that on record.

**Calum Kerr:** I welcome the Minister to his place. He comes across, to me, as rather bullish now, despite the damning evidence we heard over a very condensed couple of days. Does he think that he has cracked it now, that these codes of practice are all fit for purpose and that we should be sufficiently reassured?

**Chris Skidmore:** The codes of practice remain in draft form and obviously we are in Committee having a discussion around the nature of what is in the codes of practice. We had criticisms last week of, "Where are the codes of practice?" We were still in the process of a conversation about the codes of practice with the Information Commissioner's Office to ensure that the Information Commissioner was content. If she is content with the codes of practice as they currently stand, I am not one to go against the ICO. I am not saying that that is a form of complacency, although maybe the hon. Gentleman is, but I trust the ICO's decision and am confident in its ability to deliver on the codes as they currently stand.

**Calum Kerr:** I thank the Minister for that mildly reassuring answer that the codes of practice are a work in progress. We welcome that, but in the spirit of helping improve them, I hope that he will consider some of the feedback from Big Brother Watch, which I thought gave the Committee excellent advice. Although Big Brother

Watch recognises that the draft codes published by the UK Statistics Authority on research and statistics are detailed and comprehensive, it says that the draft codes published by the Cabinet Office and the Home Office are the polar opposite, offering very little detail or clarity.

**Chris Skidmore:** The codes are quite extensive in terms of being able to provide the material information that is there. They have gone through an extensive process. Although we had evidence from certain critical witnesses drawn by Opposition Members, there was also significant support for data-sharing measures and the ability to have flexibility through the codes.

As for considering how to go forward, the codes are now published—the hon. Gentleman can read them for himself—and the ICO is now content with the codes. That is a great position from which the Government intend to move forward. In terms of whether the codes are comprehensive, it is set out that the Government have a duty to consult the ICO and territorial Ministers. That is important, and we are following a process and a journey over which the Bill has been developed for a number of years. We are content that we are on track.

I welcome the intention of amendment 99 that only the minimum and necessary information is shared under the power to achieve the objective. The principles are set out in the Data Protection Act 1998. The public service delivery power will need to operate in compliance with the 1998 Act. The principle of data minimisation is also strongly embedded in the code of practice, to which specified persons who use the power must have regard.

In addition, the public service delivery power is intended to act as a more conventional gateway to allow public authorities to share information without the need for central oversight by Whitehall. It is important to reflect on that. Rather than having the dead hand of Whitehall overlooking a measure that should allow for local flexibility and local freedom, we expect a large number of local authorities to use the power to deliver their troubled families programmes. A central monitoring power could impose significant resourcing burdens, which we felt were unnecessary given the intended positive outcomes for citizens. On that basis, we feel that the amendment is unnecessary.

Amendment 95 intends to modify the definition of "personal information". The definition in the Bill is consistent with section 39 of the Statistics and Registration Service Act 2007, which relates to the confidentiality of personal information. It has been drafted with that consistency in mind. The amendment proposes a definition that includes a vague group of persons. We believe it unsuitable because of its vagueness, and it risks causing confusion.

Amendment 96 requires that data subjects be allowed to request and correct as necessary personal information relating to them that is disclosed under the public service delivery powers. The amendment is unnecessary because the data subject already has those rights under the Data Protection Act 1998. In addition, the impact of such an amendment on public authorities would be significant. An assessment would need to be made of how many requests could be made to public authorities, and of the resulting resourcing requirements in terms of staff and any supporting technical infrastructure. Work would also need to be carried out to ensure that we can verify the identity of individuals requesting access to

[Chris Skidmore]

data and assess the risk of corrections and modifications to data held being made for the purposes of committing fraud.

I understand the intention of the amendments, and I hope that the hon. Member for Sheffield, Heeley will understand that the Government believe that progress has been made, as well as provision for ensuring that the sharing of data is proportionate. The regard for individuals' privacy is central to the Bill and is set out in the code of practice, and the Government have put in place measures to work with the ICO and other civil society groups on that. I urge her to withdraw the amendment.

4.15 pm

**Graham Jones:** I want to make a small point about part 5, chapter 1, clause 29. There is one small glaring omission that the Government ought to look at and which has been raised by my local authorities. In Hyndburn, we have what the Minister will understand as a two-tier authority. We have a district council and a shire council as opposed to, in metropolitan areas, a unitary council. The Minister is probably wondering where this is going: when light is thrown on an example, some of the problems begin to be seen.

My shire authority wanted to increase the uptake of free school meals but a lot of the data on constituents in the borough of Rossendale and the borough of Hyndburn, which I represent, are held by the local district authority. That includes data on council tax benefit, housing benefit and numerous other small interventions carried out by the district council. A unitary council does not have that problem. It can share data and resolve such problems. It can identify people and send out public information to potential recipients—beneficiaries—of free school meals, who trigger the pupil premium.

I will give an example of how that problem is inflated. We currently have free school meals for everyone aged between four and seven, so parents see no reason to come forward and register their children for the meals, which then does not trigger the pupil premium. In a unitary authority, relevant information in other council departments would be readily available, but in my two-tier authority, the chief executive of Lancashire county council says to me, "We want to increase the uptake of free school meals, particularly for four to seven-year-olds, because we want to trigger the pupil premium, but we can't find potential recipients. We have some data on people who may use some of our services and may be entitled and some people who we could disseminate public information to, but there is a whole tranche of people we can't see—we are blind to them, they are just not on our radar. There is no scope for us to see who they are." That is because, of course, it is Hyndburn borough council and Rossendale borough council that have an interface with those people—they come into their offices regarding a plethora of issues—and those people may well benefit from free school meals. In this case, however, they will not benefit if their children are aged between four and seven so, again, they are not likely to see the connection.

My upper-tier authority, Lancashire county council, cannot access the relevant information that my local authority, Hyndburn borough council has, but a unitary authority does not face that issue. That is not fair or

reasonable. It is not conducive to public policy. It is not reaching the target audiences that the Government themselves want to reach. This Government brought in the pupil premium and they want to push that policy, yet the absence of data sharing between upper and lower-tier authorities prevents Government policy from being pursued and creates an unfair situation.

So I left my chief executive's office at Lancashire county council and travelled the distance to meet the chief executive of my local district council, who fully understood the problem, and we were able, in some way, to get that public information out to the relevant people. There was no direct contact, however, and those issues are problematic when they should not be. I believe that the Government should look at the clause, and look at that inequity. It is not right. It is not good for the delivery of public policy. Clearly, it creates barriers to reaching some people while others can be reached. The Government ought to come back with something that exempts local authorities, because without a shadow of a doubt there should be parity between unitary authorities and two-tier shire and upper county council districts.

I hope the Government come back and create that level playing field—that parity of opportunity—for the Government to be able to pursue their own policies through local government mechanisms without this barrier impinging on those very same Government policies, which are probably not reaching the people they ought to reach because of this inequity and this element that is missing from the Bill.

I ask the Minister to take a deep look at this issue, to create parity and to bring forward something that will bring my two local authorities together and not create a barrier between the two, and certainly not create this iniquitous situation whereby unitary authorities are able to deliver these public services but my two chief executives cannot deliver them to the very people who ought to be receiving them.

**The Chair:** Does the Minister wish quickly to respond before I call Louise Haigh?

**Chris Skidmore:** To respond to the hon. Gentleman on his specific point, we will update the lists of bodies able to share information of the public service delivery power, and the PSD power allows for new objectives to be added by regulations if they meet the conditions specified in primary legislation. So the issue of the pupil premium, which he mentioned, may be one of the many worthy purposes for which new objectives could be created.

I would like also to draw the hon. Gentleman's attention to the disclosure of information in the draft regulations, which I hope will reassure him. Paragraphs 21 and 22 of schedule 1 to the Bill refer to the organisations that will be sharing data, or that will be permitted to do so once they have applied to do so, including the county councils of England, the district councils in England and even the council of the Isles of Scilly. We recognise that there is that local government fracture that he mentioned and we hope that when it comes to data-sharing measures we will be able to heal that.

**Louise Haigh:** It was disappointing not to hear the Minister mention the General Data Protection Regulation and explain why this legislation has not been written in

compliance with it, or my points about non-public sector authorities. I hope that he can return to those issues later in his remarks.

On the point about the Information Commissioner, in her evidence she supported statutory codes of practice. She also recommended that Parliament should review all aspects of data-sharing, and not just the clauses relating to fraud, after an appropriate time, which is what informed our amendment.

As our amendment says, we would also like the codes to make it clear that good cyber-security practice should not be about data sharing and that it should be about leaving the data with their original owner. I hope that the Minister will return to those issues when he comments on later stages of the Bill.

With that in mind, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Clause 29 ordered to stand part of the Bill.*

### Clause 30

#### DISCLOSURE OF INFORMATION TO GAS AND ELECTRICITY SUPPLIERS

**Chris Skidmore:** I beg to move Government amendment 108, in clause 30, page 29, line 21, at end insert “, or

- ( ) the making of grants (by any person) under section 15 of the Social Security Act 1990 in accordance with regulations under that section made by the Scottish Ministers or the Welsh Ministers.”

*This amendment enables information to be disclosed by a specified person to a licensed gas or electricity supplier for the purposes of a scheme in Scotland or Wales for the payments of grants to improve energy efficiency under section 15 of the Social Security Act 1990.*

This clause enables the person specified in regulations to disclose information to gas and electricity suppliers. The disclosure must be for the purpose of reducing energy costs, or improving energy efficiency or the health or financial wellbeing of those living in fuel poverty, and it must be disclosed for use in connection with one of the fuel poverty support schemes listed in the clause.

The schemes referenced are the warm home discount scheme and the energy company obligation. Although the territorial extent of both these schemes is GB-wide, fuel poverty itself is a devolved matter. Officials in the devolved Administrations, including Labour-run Wales, have asked for Scottish and Welsh fuel poverty schemes to be included in the provisions of the clause. That is because there are grant schemes that fall under section 15 of the Social Security Act 1990 that address fuel poverty in Scotland and Wales. Those schemes would also benefit from the ability to share information between public authorities, and with gas and electricity suppliers, for the provision of assistance to fuel-poor households. The schemes are Nest and Arbed in Wales, and Scotland's home energy efficiency programme. They help to reduce energy costs, or to improve energy efficiency or the health and financial wellbeing of people living in fuel poverty. The same safeguards will be in place as for all data disclosed under the clause—that is, data can only be disclosed by persons specified in regulations and for the specific purposes identified in the clause. All persons involved in a data-share must have regard to the code of practice.

The inclusion of these grant schemes will strengthen the ability to deliver better targeted, cost-effective fuel poverty schemes in Wales and Scotland.

*Amendment 108 agreed to.*

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

**Louise Haigh:** May I welcome the Minister to his position? It was remiss of me not to do so earlier; he is the model of a patient Minister and very polite with it, too.

As with clause 29, we very much support the objective behind the proposals in clause 30—to identify the individuals most in need of warm home funding and any other grant or benefit that will alleviate fuel poverty. As we heard from Citizens Advice, energy firms have found it difficult to establish whether people are entitled to funding, so people who should get the help do not get it. Sharing the data should smooth that process. We know that fuel poverty is a significant contributor to debt. StepChange said that about 10% of its clients would be within the old definition of fuel poverty—they spend more than 10% of their income on fuel—and it has seen the number of people in gas and electricity arrears rise sharply from where things were in 2010.

However, there are concerns about disclosing personal data to gas and electricity suppliers, again with no detail on what personal information might be disclosed or how. There is none of the legal or technical detail essential to ensure data security, the ethical use of data and the necessary trust framework essential to protect the rights, privacy and security of citizens. The same problems plague the rest of part 5, not least that the general data protection regulation explicitly bans the use of data to monitor the behaviour of people in a way that could be seen as profiling, so we would appreciate the Minister's comments on that point.

As we have seen, the warm home discount can work well, but it must be set within strict safeguards. The initial legislation was introduced to allow data sharing to be carried out, and we know that the Department of Energy and Climate Change was extremely careful with the idea, and concerned about public perceptions about trust and private sector companies' use of data. There was a great deal of anxiety about the public view when the proposal was put as a theoretical proposition. The public are not convinced about the sharing of data with private companies—let alone between Departments—and particularly with private providers such as energy companies who have a potential commercial stake in the data.

That is why the warm home scheme currently works through data from the DWP and energy suppliers going to a third party, which crunches the data to identify the matches. The energy suppliers are then sent onward a list of their eligible customers and the data are deleted from the third party's computers. The data are not held on any computers; that provides an appropriate safeguard for all individuals concerned. That is critical to alleviating concerns about the sharing of personal information.

At present, therefore, companies with no public accountability learn nothing of any commercial value to their activities, which is a crucial point. The sharing of data cannot be done if there is a company with a potential conflict of interest. However, clause 30 allows for the disclosure of information to gas and electricity

[*Louise Haigh*]

suppliers to help people living in fuel poverty and within other tightly defined criteria. Although the clause is clear that data may be used only for the purposes intended, unease will remain about why, in this instance, the Government have allowed personal information to be shared with electricity suppliers rather than with a third-party trusted provider.

There will be a serious concern that electricity and gas suppliers are being passed information whose content could present a potential conflict of interest. Nobody is suggesting that the electricity or gas suppliers would do anything in breach of their obligations, but the risk is certainly there. That was the basis behind the creation of a third-party supplier in relation to the warm home scheme.

We therefore welcome the creation of an offence for passing on any of this information and we welcome the maximum sentence of two years. It provides a clear steer from Government on the sensitivity of the data, yet clearly we would prefer that the disclosure would not happen directly at all.

4.30 pm

Important research conducted in 2012 by the Wellcome Trust examined this difficult policy area and some of the public sensitivities surrounding it. The research found that

“The general public has an awareness of powerful external forces, namely: a Government that is seeking to reduce spending in the economic crisis; a myriad of fraudsters and cheats, swindling the State and the individual; aggressive and increasingly sophisticated individual marketing; and a fast-changing technological world that is hard for many people to keep up with, plus a general push towards everything moving online. Trust has been lost in major institutions...and the NHS is in crisis, with some fearing discrimination in provision of health services in future.

In relation to data sharing activities that have used energy consumption data...the annual tracking report on individuals attitudes and awareness of data protection, by the Information Commissioners Office...showed that the majority of respondents had concerns about the handling of their personal information: 93% of respondents concerned which is an increase of 23% since 2004”.

Research from Citizens Advice and NatCen Social Research found that

“the private sector is viewed as being motivated to sell data to third parties...whereas the public sector are thought to be more motivated to deliver public benefits.”

That really gets to the crux of the matter—individuals are happy for their data to be shared within strict provisions so long as it is a clear benefit to them and with clear safeguards. But in the absence of a clear definition that lack of trust will remain. In that context, it is important that the Government tread carefully and the warm home discount prototype provides a helpful model to follow.

More broadly, there is concern about the potential use of fuel poverty as a Trojan horse to establish a gateway that could then be expanded beyond the bounds of current consideration. That is thankfully addressed, however, by the legislation’s intention that every proposal to share data would need to involve the Information Commissioner. We are therefore happy to accept clause 30.

**Chris Skidmore:** Clause 31 will enable specified public authorities to share information with gas and electricity suppliers or other persons specified in regulations. The

disclosure must be for the purpose of reducing energy costs, or improving energy efficiency or the health or financial well-being of people living in fuel poverty, and it must be disclosed for use in connection with an energy supplier obligation scheme. The energy supplier obligation schemes referenced are the warm home discount scheme and the energy company obligation.

The warm home discount scheme provides a £140 energy bill rebate to certain vulnerable households during the winter months, helping those households to heat their homes. Some pensioner households already receive the rebate automatically, but that is possible only if the Government are able to inform the energy supplier, through a data match, which of their customers should receive it. It is important to recognise that that is not a new process. Rebates have been provided automatically to pensioner households in that way since 2011, and the process is considered to be working well. Not only has it helped to ensure that those entitled to support receive it, but it has significantly lower administrative costs—evidence suggests automatic payments cost under £1 per customer to deliver, compared to costs of up to £30 per customer for the non-automated method.

The hon. Member for Sheffield, Heeley mentioned the issue of trust and whether energy suppliers can be trusted with those data. She asked for an assurance from the Government on the continuity of the current scheme and whether similar security measures would be put in place. I can give her that reassurance. The sharing arrangements with third parties will remain exactly the same. Under current data-sharing arrangements for the warm home discount, suppliers are given a simple “yes”, “no” or “unknown” answer as to whether their customers were in receipt of state pension credit and so eligible for the core group rebate under the scheme. We would simply look to expand those disaggregated data. If wider data-sharing arrangements are put in place for fuel poverty schemes, we would expect only Government data to be shared with suppliers under those arrangements, which would have a similar yes or no answer as to whether the customer was eligible for support. The existing warm home discount core group of pensioners already receive automatic support through data sharing. It is a popular scheme and serves as proof that this model works and is safe.

The warm home discount scheme and the energy company obligation represent around £1 billion of investment per year. Although substantial, that is still a finite resource that needs to be targeted as effectively as possible on those who need it most. The data sharing enabled by this clause will significantly strengthen the ability to deliver better targeted, cost-effective fuel poverty support to households who need it the most.

*Question put and agreed to.*

*Clause 30 accordingly ordered to stand part of the Bill.*

*Clause 31 ordered to stand part of the Bill.*

### Clause 32

FURTHER PROVISIONS ABOUT DISCLOSURES UNDER SECTION 29,  
30 OR 31

**Chris Skidmore:** I beg to move amendment 109, in clause 32, page 30, line 18, at end insert—

“(ba) for the prevention or detection of crime or the prevention of anti-social behaviour,”

*This amendment and amendment 112 create a further exception to the bar on using information disclosed under Chapter 1 of Part 5 of the Bill for a purpose other than that for which it was disclosed. The amendments allow use for the prevention or detection of crime or the prevention of anti-social behaviour.*

**The Chair:** With this it will be convenient to discuss Government amendments 110 to 117, 120 to 128, 131 to 139 and 154 to 158.

**Chris Skidmore:** These Government amendments concern sanctions for unlawful disclosure and the disclosure and use of data to prevent and detect crime or prevent antisocial behaviour. A person receiving personal information under the public service delivery, debt, fraud and research powers cannot disclose that personal information unless it is for one of the exceptional reasons listed in the Bill, such as preventing loss of life or for national security. Technical amendments will ensure that it is clear that the list of exceptional reasons includes the prevention or detection of crime, or the prevention of antisocial behaviour.

The Bill provides that any person who contravenes the prohibition on further disclosure is guilty of an offence, which carries a penalty of imprisonment, a fine, or both. The introduction of criminal sanctions shows how seriously we take our responsibility to protect personal information, and we consider that it represents a key safeguard to accompany the new powers. It is imperative that individuals handling personal information under the powers take great care in handling that information.

We do not think that mistakes when handling personal data are acceptable, but we do not want to criminalise honest mistakes. The current drafting is slightly overzealous, so amendments 117, 128, 139 and 158 ensure that criminal liability arises only where there has been intent to disclose information. In circumstances involving disclosures made in error, we consider that other sanctions would be more appropriate, such as those set out in the Data Protection Act 1998 or internal disciplinary action.

The remaining amendments are minor technical amendments to ensure that information received under the powers can be shared to assist legal proceedings or criminal investigations outside the United Kingdom where necessary, while maintaining consistency across our clauses and aligning with other similar provisions in other legislation.

**Louise Haigh:** These Government amendments are technical and seem absolutely fine, apart from the provision to prevent antisocial behaviour. It is not clear to me why the disclosure would be necessary for the purposes of antisocial behaviour as defined under Anti-social Behaviour, Crime and Policing Act 2014. Can the Minister provide a clearer explanation of why any data that are ostensibly there to be shared for the purposes of alleviating fuel poverty and managing public sector debts would be used to prevent antisocial behaviour? Does that point to the concern I expressed earlier about the provisions leading to a broader scope for the use of information?

**Chris Skidmore:** The exemption has been included to ensure that if information received under the powers points to possible antisocial behaviour, it can be shared. That is intended to avoid any risk that by failing to refer explicitly to antisocial behaviour we cause ambiguity about whether certain information on antisocial behaviour can be shared. That ambiguity would have a chilling

effect on multi-agency responses to antisocial behaviour, thereby undermining one of the key purposes of the 2014 Act.

**Louise Haigh:** Can the Minister give an example of how data relating to fuel poverty shared between a Government agency and a gas and electricity company could possibly relate to antisocial behaviour?

**Chris Skidmore:** We are talking about public service delivery powers, which do not just cover the warm home discount, attractive though that is. I know that all members of the Committee will be grateful, when this legislation goes through, to go back to their constituents and talk about being on this Bill Committee and how they delivered savings for millions of pensioners, but there are other key aspects of the Bill in relation to the troubled families programme and those living in communities blighted by antisocial behaviour. Data sharing around those programmes could create data matches that point to antisocial behaviour taking place or flag that up. We have a public duty to ensure that we have that power so that we can protect those vulnerable people whose lives are blighted in communities affected by particular types of antisocial behaviour.

*Amendment 109 agreed to.*

*Amendments made:* 110, in clause 32, page 30, line 19, leave out

“(whether or not in the United Kingdom)”.

*This amendment removes the provision stating that a criminal investigation for the purposes of clause 32(2) may be within or outside the United Kingdom. This is for consistency and on the basis that a reference to a criminal investigation covers an investigation overseas in any event.*

Amendment 111, in clause 32, page 30, line 21, leave out

“and whether or not in the United Kingdom”.

*This amendment removes the provision stating that legal proceedings for the purposes of clause 32(2) may be within or outside the United Kingdom. This is for consistency and on the basis that a reference to legal proceedings covers proceedings overseas in any event.*

Amendment 112, in clause 32, page 30, line 28, at end insert—

“( ) In subsection (2)(ba) “anti-social behaviour” has the same meaning as in Part 1 of the Anti-social Behaviour, Crime and Policing Act 2014 (see section 2 of that Act).”—(*Chris Skidmore.*)

*See the explanatory statement for amendment 109.*

*Clause 32, as amended, ordered to stand part of the Bill.*

### Clause 33

#### CONFIDENTIALITY OF PERSONAL INFORMATION

**Louise Haigh:** I beg to move amendment 101, in clause 33, page 31, line 19, leave out “or permitted”.

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

Amendment 102, in clause 33, page 31, line 25, leave out “made” and insert “necessary”.

*This amendment and amendments 103 and 104 seek to place a stricter requirement to reduce the risk of non-compliance with data protection.*

Amendment 103, in clause 33, page 31, line 27, leave out “made” and insert “necessary”.

*See the explanatory statement for amendment 102.*

Amendment 104, in clause 33, page 31, line 30, leave out “made” and insert “necessary”.

*See the explanatory statement for amendment 103.*

**Louise Haigh:** The amendments would restrict the onward disclosure of data. As we know, the public value their data, and the amendments would place a higher test on onward disclosure.

It is important that data disclosures of information as sensitive as we have been discussing are appropriately considered; they must not simply be nodded through. Introducing a principle of necessity would mean that organisations have to make a case, rather than merely tick a box. Crucially, that would help to make the Bill more consistent with existing data protection. As the Information Commissioner's data sharing code of practice clearly states:

"You should employ 'need to know' principles, meaning that other organisations should only have access to your data if they need it, and that only relevant staff within those organisations should have access to the data. This should also address any necessary restrictions on onward sharing of data with third parties."

The ICO's data sharing code of practice could not be any clearer. It is designed to protect an individual's data and to prevent any onward disclosure to the organisations that have access to those data.

The Data Protection Act is also framed in terms of necessity. The ICO's code of practice states:

"The processing is necessary because of a legal obligation that applies to you (except an obligation imposed by a contract)...The processing is necessary to protect the individual's "vital interests". This condition only applies in cases of life or death, such as where an individual's medical history is disclosed to a hospital's A&E department treating them after a serious road accident...The processing is necessary for administering justice, or for exercising statutory, governmental, or other public functions."

The amendments, which would insert the word "necessary", ask a simple question: why are the exemptions in the Data Protection Act set aside when there is disclosure of confidential personal data for certain public interest purposes? That is already clearly well established. For example, in the context of policing, section 29(3) of the Data Protection Act states that:

"Personal data are exempt from the non-disclosure provisions in any case in which"

the disclosure is for any of the purposes of a criminal investigation, and failure to disclose

"would be likely to prejudice"

that investigation. One element of the application of that exemption from the non-disclosure provisions has the effect of excluding the lawfulness of the disclosure. It therefore protects the disclosing body from action for breach of confidence.

To disclose under the Data Protection Act, there has to be prejudice to an investigation before a disclosure of personal data can occur. Clause 33(2)(e) refers to disclosures "made for the purposes of a criminal investigation",

with no test of prejudice. The advantage of the amendments is that they would bring in the word "necessary". That minor shift would at least ensure that the disclosure of personal data is proportionate.

Similarly, section 35(2) of the Data Protection Act permits disclosure of personal data for legal proceedings without risk of the disclosing party being subject to an action for breach of confidence if the disclosure of personal data

"is necessary... for the purpose of, or in connection with, any legal proceeding".

In contrast, clause 33(2)(f) does not include the word "necessary" and reduces the threshold of disclosure to one that could facilitate speculative disclosures that could not be made under the Data Protection Act. We would be grateful if the Minister explained why the necessity is removed and why the DPA provisions are not sufficient when personal data are disclosed, but only when it is necessary in connection with any legal proceedings. The amendments would align disclosure with the provisions of the DPA.

The changes to clause 33(2)(h)(i) to (iv) are proposed to make it clear why the DPA is insufficient. Schedule 2(4) permits disclosure of personal data if it

"is necessary in order to protect the vital interests of the data subject."

Schedule 2(5)(b) allows disclosure that is necessary

"for the exercise of any functions conferred on any person by or under any enactment".

Can the Minister describe what disclosures of personal data do not fall within those two provisions? The amendments insert the word "necessary" and simply align the disclosure with the Data Protection Act.

4.45 pm

**Chris Skidmore:** Amendment 101 looks at tightening the restrictions around the onward disclosure of personal information in clause 33. Its effect would be to restrict the onward disclosure by public authorities to only those purposes required by existing legislation, rather than those permitted by existing legislation. Amendments 102, 103 and 104 would restrict the ability of public authorities to onwardly disclose personal information under this power for matters of great importance to all of us. The Government believe the amendments would have the effect of restricting our ability to share information for matters such as saving lives, investigating criminal activities and safeguarding vulnerable adults and children, unless it can be determined "necessary".

Unfortunately, amendment 101 would considerably reduce the scope of public authorities to share data under that power. We are looking to provide legal clarity. Many existing legislative gateways for information sharing by public authorities tend to be permissive, rather than mandatory. Given that the purpose of the power is to provide legal clarity around data sharing to better target public services, the Government believe the amendment would, at best, introduce a degree of uncertainty as to whether a proposed data share is legal and, at worst, place a bar on existing permissive information sharing gateways for a range of important purposes.

Amendments 102, 103 and 104 could, in practice, inhibit public authorities from disclosing information, or delay them from disclosing it until they were content it was "necessary" to do so. The consequence of the amendments would therefore be to create an uncertainty where we are trying to provide legal clarity.

I welcome the intention behind the amendments—to ensure that personal information is disclosed—yet we believe they would create uncertainty. Furthermore, they are unnecessary as the powers are to be used in a way that is consistent with the DPA, and tough penalties under the new criminal offence will help ensure public officials handle the information lawfully. I invite the hon. Lady to withdraw the amendment.

**Louise Haigh:** I am concerned about why the Minister thinks the amendments will provide confusion; they will actually bring the clause into alignment with the Data Protection Act 1998—currently, large swathes of the Bill are not. Personal information is not defined as in the Data Protection Act, and nor are other clauses in this part. With your leave, Mr Streeter, I will test the will of the Committee.

*Question put,* That the amendment be made.

*The Committee divided:* Ayes 7, Noes 9.

### Division No. 6]

#### AYES

Brennan, Kevin	Jones, Graham
Debonnaire, Thangam	Kerr, Calum
Foxcroft, Vicky	Matheson, Christian
Haigh, Louise	

#### NOES

Adams, Nigel	Menzies, Mark
Davies, Mims	Skidmore, Chris
Hancock, rh Matt	Stuart, Graham
Huddleston, Nigel	Sunak, Rishi
Mann, Scott	

*Question accordingly negated.*

*Amendments made:* 113, in clause 33, page 31, line 24, at end insert—

“(da) for the prevention or detection of crime or the prevention of anti-social behaviour.”.

*This amendment and amendment 116 create a further exception to the bar on the further disclosure of information disclosed under Chapter 1 of Part 5 of the Bill, allowing disclosure for the prevention or detection of crime or the prevention of anti-social behaviour.*

Amendment 114, in clause 33, page 31, line 25, leave out—

“(whether or not in the United Kingdom)”.

*This amendment removes the provision stating that a criminal investigation for the purposes of clause 33(2) may be within or outside the United Kingdom. This is for consistency and on the basis that a reference to a criminal investigation covers an investigation overseas in any event.*

Amendment 115, in clause 33, page 31, line 28, leave out—

“and whether or not in the United Kingdom”.

*This amendment removes the provision stating that legal proceedings for the purposes of clause 33(2) may be within or outside the United Kingdom. This is for consistency and on the basis that a reference to legal proceedings covers proceedings overseas in any event.*

Amendment 116, in clause 33, page 31, line 35, at end insert—

“( ) In subsection (2)(da) “anti-social behaviour” has the same meaning as in Part 1 of the Anti-social Behaviour, Crime and Policing Act 2014 (see section 2 of that Act).”.

*See the explanatory statement for amendment 113.*

Amendment 117, in clause 33, page 31, line 36, leave out subsections (3) and (4) insert—

“( ) A person commits an offence if—

- the person discloses personal information in contravention of subsection (1), and
- at the time that the person makes the disclosure, the person knows that the disclosure contravenes that subsection or is reckless as to whether the disclosure does so.”—(*Chris Skidmore.*)

*This amendment applies to the disclosure of personal information in contravention of subsection (1) of clause 33. It has the effect that it is an offence to do so only if the person knows that the disclosure contravenes that subsection or is reckless as to whether it does so.*

*Clause 33, as amended, ordered to stand part of the Bill.*

*Clause 34 ordered to stand part of the Bill.*

### Clause 35

#### CODE OF PRACTICE

**Chris Skidmore:** I beg to move amendment 118, in clause 35, page 32, line 30, at end insert—

“( ) The code of practice must be consistent with the code of practice issued under section 52B (data-sharing code) of the Data Protection Act 1998 (as altered or replaced from time to time).”

*This amendment requires a code of practice issued under clause 35 by the relevant Minister and relating to the disclosure of information under clause 29, 30 or 31 to be consistent with the data-sharing code of practice issued by the Information Commissioner under the Data Protection Act 1998.*

**The Chair:** With this it will be convenient to discuss Government amendments 119, 129, 140, 161 and 188.

**Chris Skidmore:** These are minor and technical amendments to clauses on the code of practice and statements of principles that will be issued under part 5 of the Bill. The amendments will require that the code of practice be consistent with the data sharing code of practice issued by the Information Commissioner under the Data Protection Act 1998, ensuring greater clarity for practitioners and increased transparency for citizens about the relationship between the provisions in the Bill and the DPA. The amendments have been tabled with our conversations with the ICO in mind; we have the Information Commissioner’s confidence that the codes are right. I commend the amendments to the Committee.

*Amendment 118 agreed to.*

**Louise Haigh:** I beg to move amendment 106, in clause 35, page 32, line 42, at end insert—

“(ea) the public for a minimum of 12 weeks, and the relevant Minister, must demonstrate that responses have been given conscientious consideration, and”.

The amendment relates simply to the fact that the Opposition would like a full public consultation on the draft codes of practice. A much better version has been put before the Committee, and I understand that it is now on the parliamentary website, but we would like a proper consultation period, not just a consultation with whomever the Government see fit to consult.

**Chris Skidmore:** Amendment 106 would introduce a requirement for the Minister to publicly consult for a minimum of 12 weeks before issuing or reissuing the code of practice under clause 35.

Many details of the code of practice are drawn from the ICO data sharing code of practice. Others were drawn from two years of open policy making with civil society and other groups. We have just discussed a Government amendment intended to ensure that our codes will be consistent with the ICO’s data sharing code of practice. On that basis, we see no need for a compulsory public consultation before issuing the code, and even less need to make it a requirement in respect of

[Chris Skidmore]

any reissue. Some future changes to the code may be minor. We do not see a need to run a public consultation in those instances—indeed, to do so would be disproportionate in a great number of such cases.

Clause 35 requires that the Minister consult the Information Commissioner and other persons as the Minister thinks appropriate. Those other persons will include civil society groups and experts from the data and technology areas. We will run a full public consultation when a significant revision is expected, such as before the EU data protection regulation comes into effect, which I believe will be in May 2018. The clause as drafted provides the flexibility required. On that basis, the amendment is unnecessary and I invite the hon. Lady to withdraw it.

**Louise Haigh:** I am pleased to hear that the Government intend to consult on major revisions, and I hope that the draft codes, although much improved, will improve further in Committee, particularly in the areas outlined earlier relating to non-public authorities. As the Government have not listened to many of the recommendations made in their own consultation earlier this year, perhaps it is a futile amendment. I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

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

**Louise Haigh:** I will just lay some further concerns about the draft codes. Clause 35 requires specified authorities and specified persons to have regard to the code of practice. We have conducted our own mini-consultation. One member of the Government's own open policy group described the codes of practice as "discursive and poorly constructed", another as "empty waffle". Agreement was widespread that they still require significant legal and technical improvements, and that safeguards should be included in the Bill itself.

Part 5's provisions for personal data sharing enable officials to decide unilaterally when they may access and share citizens' personal data without consent and for purposes other than that for which it was provided. It raises serious concerns about how the UK will be able to host any EU citizens' personal data post-Brexit. If UK officials are able to access and use their data without consent, it is highly unlikely that the EU will regard that as approaching anything like "adequacy" with respect to the general data protection regulation.

It is an incredibly worrying aspect of the Bill and the accompanying codes of practice that nowhere do they refer to the EU's GDPR, which will not come into effect until 2018, as the Minister said, although the Information Commissioner's Office has stated that organisations must comply with the GDPR if they wish to continue to do business across the EU or with EU citizens' data. Although we are referring to Government agencies and Departments, there is every likelihood that they will process EU citizens' data.

Where consent is to be overridden by officials, the approach is not well defined. There is no consideration of or support for alternative approaches, such as empowering citizens to be helped by letting them nominate someone other than officials to act on their behalf, rather than officials doing so. There is inadequate attention

to transparency and accountability. We have many lessons to learn from the Estonian Government, as we heard in evidence sessions.

Furthermore, the personal data-sharing code perpetuates errors from the two-year consultation. For example, when the code refers to application programming interfaces, it incorrectly implies that they are a new thing. They are not, with modern web APIs generally recognised as having been in existence since around 2002—hardly state of the art. The code also displays no apparent awareness of, for example, zero knowledge proof, a method by which one party can prove to another that a given statement is true without conveying any information apart from the fact that the statement is true.

For that reason, both technical and legal safeguards must be within the Bill, not the lengthy and vaguely drafted codes of practice relating to personal data. Quite simply, none of the codes contains the safeguards alluded to earlier in the consultation and Bill process. In the interests of time, I simply say to the Minister that we will revisit concerns about the codes of practice. We have serious concerns about the lack of transparency still built into the codes of practice, let alone on the face of the Bill, and we would like some updated technological references in those codes.

*Question put and agreed to.*

*Clause 35, as amended, accordingly ordered to stand part of the Bill.*

*Clauses 36 and 37 ordered to stand part of the Bill.*

## Clause 38

### DISCLOSURE OF INFORMATION BY CIVIL REGISTRATION OFFICIALS

**Louise Haigh:** I beg to move amendment 97, in clause 38, page 36, line 15, at end insert—

(2A) An authority or civil registration official requiring the information must specify the reasons for requiring the information to be disclosed.

(2AA) Information disclosed under this section shall not be shared with any other public or private body beyond those specified in subsection (1)."

**The Chair:** With this it will be convenient to discuss amendment 107, in clause 38, page 36, line 12, leave out from "that" to end of subsection and insert—

(a) the authority or civil registration official to whom it is disclosed (the "recipient") requires the information to enable the recipient to exercise one or more of the recipient's functions and,

(b) the data subjects whose information is being disclosed have given valid consent under data protection legislation."

*This amendment would remove bulk sharing while allowing certificates to be shared to support electronic government services.*

**Louise Haigh:** These provisions, more than any others in relation to civil registration officials, have surprised and confused those involved in the data-sharing proposals and the open data policy-making process, as they were never mentioned in the more than two years of discussion about data sharing in that open policy-making group. In the Government's consultation response, they said that "a large number of individual respondents and representatives from civil society stated strong opposition to the proposed power providing the ability for the bulk sharing of data, believing that

the power would effectively create an identity database and enable personal data to be shared between public authorities even where there is no public benefit to do so.”

The amendments would address exactly that.

The publicly stated policy intent of the clause is to allow a citizen interacting with the Department to allow that Department to confirm their civil registration information electronically. That could undeniably enable better informed decision making, allocation of resources and service delivery, and would support the modernisation of public services. However, as drafted, the legislation also allows the entire civil registration database to be copied over to arbitrary locations for arbitrary purposes. That is not the same thing as a citizen allowing access when using digital services.

There are further concerns about the clause’s lack of compliance with the Data Protection Act 1998. Civil registration documents will be shared in bulk to improve service delivery where there is a clear and compelling need, according to the Bill. However, “clear and compelling” remains a lower test than the Data Protection Act’s “necessary and proportionate”, and is likely to be challenged. The use of bulk data runs counter to the Centre for the Protection of National Infrastructure guidance, which warns of the risks associated with bulk data, particularly from hostile foreign intelligence services.

The example given by Government that would require the sharing of civil registration data is around child reference numbers, which become national insurance numbers. National insurance numbers used to be attached to child benefit. It worked on the assumption that every parent would claim child benefit for their child and, when that child reached 15 and a half years of age, their national insurance number would be dispatched.

When the Government changed their policy on child benefit and effectively restricted it to parents who earned less than £50,000 per year, that created a potential problem for the assigning of national insurance numbers. The proposals will presumably address the problem by using birth-certificate data to inform who should be issued with NI numbers and when. That seems a perfectly reasonable and sensible method to correct an unintended consequence of the changes to child benefit policy, but can the Minister give us any other examples of when and why such bulk data sharing would ever be necessary

or proportionate? The example I have just run through is incredibly specific and I hope that it would not be and is not repeated across Government.

5 pm

Clause 38 states:

“A civil registration official may disclose information under this section only if the official is satisfied that the authority or civil registration official to whom it is disclosed...requires the information to enable the recipient to exercise one or more of the recipient’s functions.”

That suggests that consent is to be moved away from citizens to officials, leaving the latter to decide when to share personal data, even if the data were not provided by the citizen for that purpose. That highlights a notable characteristic of the Bill: its apparent intent to move the control of personal data away from citizens and to officials. It proposes that the decision on what to share and with whom will be determined by regulations made by the “appropriate national authority”, which means the relevant Minister. Consent to use personal data will thus be moved away from the citizen to the Minister and, in practice, to officials.

Amendment 107 would require any disclosures under the provision to have the consent of the citizen or their legal representative, and would thereby prevent disclosures or all entries in bulk under the legislation. It would also remove any bulk sharing, simply enabling the sharing of information relevant to the task at hand.

Amendment 97 would require the authority or civil registration official to specify the reason for disclosing information and ban the sharing of information beyond those individuals or bodies specified in new section 19AA(1). Given that that is made explicit in all the other chapters of part 5 of the Bill, we assume it is an oversight that it has not been included in chapter 2.

**Graham Stuart** (Beverley and Holderness) (Con) *rose*—

**The Chair:** I sense that the Government Whip is trying to catch my eye.

*Ordered,* That the debate be now adjourned.—(*Graham Stuart.*)

5.1 pm

*Adjourned till Thursday 27 October at half-past Eleven o'clock.*

**Written evidence reported to the House**

DEB 60 Authors' Licensing and Collecting Society

DEB 61 Pandora Blake and Myles Jackman

DEB 62 City Remembrancer's Office, City of London Corporation

DEB 63 Jim Killock, Executive Director, Open Rights Group (follow up)

DEB 64 UK Music

DEB 65 James Moore (further submission)