

My Intervention in the Chancellor's Statement on the Economy

Rt Hon Sir John Redwood MP (Wokingham) (Con): When the Chancellor approved £150 billion of extra cash to be printed in November 2020 and gave a full guarantee against losses on the bonds, did he think that there could be any inflationary and public spending risk from that? I fully support giving back the huge windfall taxes that he is already collecting on energy, the VAT on fuel, the rip-off at the pumps and the much-enhanced profits tax coming from North sea oil and gas. That should be given back because people need some relief. On inflation, though, what did he think when he printed the money?

Rishi Sunak, Chancellor of the Exchequer: I am grateful to my right hon. Friend for his question. He and I have talked about inflation for quite a while. He will know that I have long been concerned about the potential of rising inflation and interest rates. It is something that he and I discussed very early in my time in this job. That is why, from the beginning, I have been careful to protect our public finances against the costs of rising inflation and interest rates. I am glad that we took those decisions. Now, because of that, we are in a position to act and to support people.

My interview with Liam Halligan, GB News discussing taxes, the economy and more

Earlier this week I had a discussion with Liam Halligan from GB News on a variety of topics including taxes, the economy and the Bank of England. You can watch the full interview below:

The Chancellor changes his mind.

The Chancellor who told us he could not afford another financial package before the autumn produced £15 bn of giveaways yesterday. He says £6 bn of that will come from a new windfall tax on oil and gas, and the rest will be covered by existing taxes and borrowing.

Instead of taking down taxes on oil and gas heating and petrol which would have reduced inflation he went for the route of one off payments to people. Had he done more to cut inflation it would have cut his costs more, many of which are boosted by higher inflation.

He did not quantify the large amount of extra tax he must be collecting on energy profits and sales given the huge price rises. His taxes make the cost of living crisis worse.

He did tell us the Bank of England is independent and will now start getting on top of inflation. So I reminded him that he authorised the printing of another £150 bn of new money for strong recovery year. I asked him if he thought at the time that could be inflationary. He did not have an answer. I also pointed out he guaranteed the Bank against all losses on the bonds they bought, as his predecessors did. I asked him about the impact of the losses they must now be making. Again no answer.

Let me try again. What was it about the £150 bn you ordered to be printed that made you think it would not be inflationary?

My Questions in the debate on the Product Security and Telecommunications Infrastructure Bill

Rt Hon Sir John Redwood MP (Wokingham) (Con): Will my hon. Friend confirm that operators still need to get the agreement of the landowner or someone else who is empowered to grant that right, so that there is no muddle or confusion?

Julia Lopez, Minister of State for Cabinet Office: Yes. They will be allowed to take out a new agreement, but they still have to be under the existing regime.

To be clear, this will not let an operator unilaterally change, or ask the court to impose a change to, the terms or duration of their current agreement. It allows an additional code right to be conferred on the operator via a new, separate code agreement.

...

Rt Hon Sir John Redwood MP (Wokingham) (Con): I certainly support the Minister in the belief that the more competitive the industry, the better the results that we will get. Has she had representations from people who would like to enter the market about whether the change would make them more likely to do so?

Julia Lopez, Minister of State for Cabinet Office: Most of the people I have spoken to are already in the market and believe that the change will make a big difference to how they roll out. It is a very competitive market with many new entrants. I am not aware of anybody who is just dipping their toe in the water; because it is so competitive, people are already aggressively in the market. We think that the change will really help to accelerate the roll-out to our constituents of fantastic digital infrastructure of the kind that we all understand is fundamental to driving productivity gains, and to reducing the divide between areas that do and do not have that connectivity.

From the contribution of my right hon. Friend the Member for New Forest West on Second Reading, I understand that his concern relates to the effect of clauses 61 and 62 on landowners who already host telecoms apparatus on their land. I recognise that, ultimately, these changes are likely to lead to reductions in the rent received by landowners with a tenancy protected by the Landlord and Tenant Act 1954 or the Business Tenancies (Northern Ireland) Order 1996. I appreciate that that might not have been expected by those entering into such tenancies at the time they were created, but it is also fair to say that market values change over time, and there is never any guarantee that rents received by a landlord will remain constant or increase.

We have also given careful consideration to the effect of clauses 61 and 62, and have balanced the impact that they might have on landowners with the wider, substantial public benefits that we are pursuing. It is also important to recognise that the changes will not happen until any ongoing agreement expires and comes to be renewed. Furthermore, clauses 63 and 64 introduce separate provisions allowing the landowner to recover compensation for any damage to their land, reduction in its value or reasonable expenses resulting from an operator exercising their code rights.

Clauses 61 to 64 ensure that the 2017 framework will apply to all future agreements. It must be remembered that the code has an underlying purpose, which is to support the delivery of robust digital networks. Our constituents increasingly rely on those networks for critical digital services. Only recently, the National Farmers Union's digital technology survey found that poor mobile signal and unreliable internet access are hampering farming businesses. We know that rural connectivity is a problem for many organisations, and addressing it is one of our priorities as a Government. The Bill, including clauses 61 and 62, aims to address those issues.

I am sure that my right hon. Friend had only noble intentions when tabling his amendments, but although they may benefit some landowners, they have the potential to penalise entire communities by keeping network costs unacceptably high. Clauses 61 and 62 will help to reduce the digital divide between different parts of the country, as they will help to prevent deployment being cheaper in one area than another.

Finally, I turn to amendments 9 to 11 tabled by my right hon. Friend, which would require a party to use alternative dispute resolution processes before making certain applications to a court under the electronic communications code, including where an agreement granting rights under the code is being sought. The provisions on ADR processes in the Bill aim to create more

collaborative discussions between landowners and telecoms operators to ensure that litigation is used only as a last resort. I suspect that that is what the amendments seek to ensure as well. Although I sympathise with the intention behind these amendments, the Government oppose them—first, because they are unnecessary; secondly, because ADR is not appropriate in every situation; and thirdly, because they would be counterproductive to the amendments' overall intentions.

The Bill requires operators, when requesting rights under the code, to inform the landowners of the availability of ADR. Crucially, it also creates a requirement that if an application is made to a court, the court will be required to take into account any unreasonable refusal to engage in ADR when awarding costs. Those requirements strongly incentivise the use of ADR without the need to make it mandatory. The Government therefore believe the amendments to be unnecessary.

It is also important to note that ADR may not be suitable in certain cases, such as where a disagreement is based on differing interpretations of the law. Such points of law must be resolved in the courts, and mandatory ADR would add cost and time to that process without offering any benefit.

The Government also believe that the amendments would be counterproductive to their own goals. If ADR were compulsory, some parties would be compelled to participate in an ADR process they do not want to be involved in, and so would be less inclined to actively engage in the process. That would increase the risk that ADR would fail, which would mean that parties would have to go to court anyway. If that were the case, all that compulsory ADR would have achieved is to add an additional layer of time and costs for landowners, such as charities, sports clubs and farmers. It should also be noted that, when consulted, a clear majority of stakeholders were not in favour of compulsory ADR. I hope that I have given my right hon. Friend assurance that the provisions regarding ADR in the Bill already represent the most effective way of encouraging its use, and I hope that he will not press his amendments to a Division.

[A Written Answer from the Treasury](#)

I have received the below answer from the Treasury to my Written Question:

Treasury has provided the following answer to your written parliamentary question (2336):

Question:

To ask the Chancellor of the Exchequer, what discussions he has had with Cabinet colleagues on fiscal plans to tackle potential supply shortages of (a) energy and (b) food. (2336)

Tabled on: 16 May 2022

Answer:

Helen Whately: Arrangements are in place to ensure security of supply of electricity and gas. We are confident that the UK's energy security will be maintained.

The UK food supply chain is highly resilient and our food import dependency on the Eastern Europe region is very low. We do not expect any significant direct impact on overall UK food supply as a result of the conflict in Ukraine. The Government continues to keep the market situation under review through the UK Agriculture Market Monitoring Group, which monitors UK agricultural markets including price, supply, inputs, trade and recent developments. We have also increased our engagement with industry to supplement our analysis with real time intelligence.

The answer was submitted on 23 May 2022 at 09:42.