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DUP	Democratic Unionist Party
GP	Green Party
Ind Lab	Independent Labour
Ind LD	Independent Liberal Democrat
Ind SD	Independent Social Democrat
Ind UU	Independent Ulster Unionist
Lab	Labour
LD	Liberal Democrat
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House of Lords

Wednesday, 9 December 2015.

3 pm

Prayers—read by the Lord Bishop of Bristol.

Alcohol
Question

3.07 pm

Asked by ***Lord Brooke of Alverthorpe***

To ask Her Majesty's Government whether they will review the responsibility deal for alcohol in the light of the Institute of Alcohol Studies' report *Dead on Arrival? Evaluating the Public Health Responsibility Deal for Alcohol*.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, we are currently reviewing all aspects of the responsibility deal, including for alcohol. Partnership working continues to play an important role and the Government remain committed to its principles. We will continue to engage with the alcohol industry to encourage it to take action to reduce some of the harms caused by alcohol.

Lord Brooke of Alverthorpe (Lab): My Lords, I am grateful to hear that the Government have decided to review the responsibility deal after its operation for the past five years. During that time, we have seen obesity grow; we have seen no increase in the activity undertaken by individuals; and we have seen more people presenting in hospital with alcohol problems. Will the Minister tell us whether he is sticking to the principles that guided the previous partnership, which was not, in fact, supported by the health industry? What will be the changes in the future to ensure that there is some real pace and real change taking place and that the mechanism of a voluntary approach is not used to delay?

Lord Prior of Brampton: My Lords, we have asked the London School of Hygiene and Tropical Medicine to review the impact of the responsibility deal, which it will do later in 2016. There have been, however, some benefits from it on alcohol, to which the noble Lord referred particularly. The number of units not sold as a result of it is 1.3 billion and the package labelling on alcohol products has improved substantially.

Baroness Hollins (CB): My Lords, does the Minister agree that it would be better named the "irresponsibility deal" and that it is time for effective policies to be introduced, including a minimum unit price; zero tolerance for drinking and driving; and clear and unequivocal advice for pregnant women not to drink?

Lord Prior of Brampton: My Lords, I think that is an incorrect labelling of the responsibility deal. It might not be perfect, but it has achieved some benefits, not just in relation to alcohol but in salt reduction and other areas. On drink and driving, the social argument has been won, and the number of deaths through drink and driving—although still far too high—has gone down from some 1,640 in 1979 to 240. So improvements are being made.

Lord Garel-Jones (Con): My Lords, can the Minister confirm that alcohol continues to be regarded as a habit-forming, hallucinatory drug?

Lord Prior of Brampton: My Lords, I am not sure who considers alcohol to be habit-forming and hallucinatory—whether it is my noble friend or others. I think it depends very much on the quantities in which it is taken.

Lord Rennard (LD): My Lords, does the Minister accept that the 1.3 billion unit reduction in alcohol consumption of which he spoke represents a reduction of only 2%, and that the alcohol industry itself cannot be relied on to assess objectively the scientific evidence that points strongly towards the need for things such as minimum unit pricing and for alcohol taxation to be proportionate to the alcohol content of drinks?

Lord Prior of Brampton: My Lords, as I say, an independent assessment of the responsibility deal will be done by the London School of Hygiene and Tropical Medicine. It is important that the assessment is independent and certainly is not undertaken by the industry or, indeed, by the Department of Health. It is worth noting that the consumption of alcohol seemed to peak in 2005 and has declined slightly since then. I am not in any way minimising the appalling damage that alcohol does to the lives of many people, but consumption is coming down slowly.

Baroness Hayter of Kentish Town (Lab): My Lords, the BMA concluded that the Government's alcohol policy had been weak and ineffective due to an overreliance on working with the alcohol industry. Does the Minister concur with the BMA's judgment that the responsibility deal has pursued initiatives that are known to have little effect in reducing alcohol-related harm and that the responsibility deal should now be abandoned?

Lord Prior of Brampton: My Lords, I can only repeat that we will have an independent review of the responsibility deal, at which point we will have objective evidence on which to assess it. I agree entirely with the noble Baroness that the health world, including the BMA and many of the royal colleges, takes a very strong view about alcohol. Many doctors see the appalling impact that it has on individual lives day in and day out, so we take their views extremely seriously.

Lord Lansley (Con): My Lords, can I tell my noble friend the Minister—

Noble Lords: Ask.

Lord Lansley: Can I ask my noble friend the Minister if he agrees that the report from the Institute of Alcohol Studies is purely polemical in character and not a research report at all? Actually, its argument is based on a flawed proposition, which is that the pursuit of voluntary agreements through the responsibility deal prevented the pursuit by government of minimum unit pricing. Does my noble friend agree that from the very outset of the responsibility deal, it was made clear to the industry that its pricing of alcohol and indeed the Government's attitude in terms of tax and pricing were no part of the responsibility deal, and that within government no discussion of minimum unit pricing was affected by the fact of the responsibility deal?

Lord Prior of Brampton: I am happy to be told that by my noble friend and I can only agree with him.

Lord Patel (CB): My Lords, as it is Christmas, does the Minister think that the Parliamentary Estate should be alcohol-free, as it is smoke-free?

Lord Prior of Brampton: My Lords, I think that we would be setting an excellent example if we did that.

Lord West of Spithead (Lab): My Lords, does the Minister not agree that alcohol has been a fundamental part of western civilisation for millennia, and that in moderation it is actually quite pleasant?

Lord Prior of Brampton: My Lords, I agree entirely with that. Pubs, clubs and restaurants are a vital part of a happy and cohesive society, so I am very happy to agree with those sentiments.

Lord Wallace of Tankerness (LD): My Lords, do the Government have any intention of evaluating the reduction in the drink-drive blood alcohol limit in Scotland?

Lord Prior of Brampton: In Scotland the permitted number of milligrams of alcohol per 100 millilitres of blood was reduced from 80 to 50, and we will be following that change with great interest. If it results in a significant reduction in the number of deaths on the road, I am sure that we will wish to take it on board.

Health: Liver Disease

Question

3.14 pm

Asked by ***Baroness Finlay of Llandaff***

To ask Her Majesty's Government what progress has been made to implement the recommendations of the Lancet Commission on liver disease, to address the incidence of liver disease in the United Kingdom.

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): Since the publication of the report of the *Lancet* commission, the Government have continued to address the incidence of liver disease through a number of measures which focus on both the prevention of liver disease, and improved care for those with liver disease. Public Health England has a programme of public health action to tackle liver disease and is working with key stakeholders, including the *Lancet* commission, to produce a framework for liver disease next year.

Baroness Finlay of Llandaff (CB): As we enter the festive binge drinking season, do the Government recognise that 28% of deaths in 16 to 24 year-old males are alcohol-related and that 85% to 90% of the cost of in-patient liver disease is due to alcohol? By raising the floor cost of alcohol by 10%, we may be able to reproduce the Canadian evidence of a 30% fall in deaths attributable to alcohol. Do the Government also recognise that we have a responsibility to the next generation because in pregnant women hepatitis, obesity and alcohol are each risk factors, each compounding the other? If we implement a six-in-one vaccine programme for hepatitis B in neonates, we may prevent the next generation suffering from hepatitis B as well as decrease the incidence of foetal alcohol syndrome by tackling alcohol abuse in pregnancy.

Lord Prior of Brampton: My Lords, there was quite a lot in that question. Some 6,000 babies suffer from foetal alcohol syndrome and it is a shocking and appalling by-product of alcohol. Canada has increased the floor price of alcohol and I understand it has seen some reduction in alcohol-driven disease as a result of that. We are watching what happens in Canada carefully. Of course, Scotland is considering a similar move although it is awaiting the outcome of a court case in the European Union. I gather that Wales will possibly follow suit if that court case goes accordingly. We will watch what happens in those other countries, study it and then make up our minds accordingly.

Lord Walton of Detchant (CB): My Lords, my former medical colleagues in Newcastle upon Tyne, including several distinguished hepatologists are gravely concerned by the increasing incidence of alcohol-induced liver disease in young people. The problem is that in Newcastle—in the centre of the city and on the quayside—many organisations sell what are called, "cheap shots" with a very high alcohol content. Surely the time has come, yet again for the Government to give urgent consideration to the introduction of a statutory minimum price per unit of alcohol.

Lord Prior of Brampton: My Lords, there are strong arguments for minimum unit pricing. However, other consequences might flow from minimum unit pricing to do with illicit alcohol sales and the fact that the cost of that would fall very heavily on those least able to afford it. As I said earlier, it will continue to be kept under consideration by this Government and we will study with great interest what happens in other countries which are introducing minimum unit pricing.

Lord Anderson of Swansea (Lab): My Lords, given the statistics just given to the House by the noble Baroness and the scale of profits of the drinks industry, are the Government content with the amount of financial help given by the drinks industry to the victims, as suggested by the noble Baroness?

Lord Prior of Brampton: My Lords, as part of the responsibility deal, a financial contribution was made by some of the alcohol companies. I accept that it was a small contribution. I shall have to take this under advisement as I am not sure how much the industry does contribute to the victims of alcohol disease. I agree with the noble Lord's premise that the damage done to many people through excessive alcohol consumption is a cause of great concern.

Lord Ribeiro (Con): My Lords, does my noble friend agree with recommendation 3 in the report, which requires the establishment of liver units in district general hospitals, acting in a hub-and-spoke network with specialist hospitals? This is important to provide access to people, particularly in the north-west, where, sadly, there is very little access to specialist hepatology units.

Lord Prior of Brampton: My Lords, the recommendations in the report about a hub-and-spoke approach, to which my noble friend refers, with district general hospitals having some hepatology services but being linked into a specialist centre are absolutely right. It is the right model; I have no doubt about that. We have established 22 operational networks for hepatitis C treatment, which are all linked into specialist treatment centres. We believe that that may be a model for the future.

Lord Hunt of Kings Heath (Lab): My Lords, on the issue of specialist centres, has the Minister actually read the *Lancet* report, which points out that the north-west has the highest incidence of liver disease, yet does not have a transplant centre? In view of the very good outcomes from the transplant centres, are the Government making sure that the north-west gets such a centre?

Lord Prior of Brampton: I have read the *Lancet* report and I noted this rather unusual omission in the north-west. I do not understand why the north-west does not have a specialist liver facility. It is something that I will follow up and find out. I will write to the noble Lord if I can.

Baroness Walmsley (LD): My Lords, the *Lancet* said that the majority of people with obesity have non-alcohol related fatty liver disease. Does the Minister agree that we need restaurants and takeaways to publish the calorie, fat, sugar and salt content of their dishes? Some of the best do it, but not many do. Will he also consider further restrictions on the advertising of high-calorie junk food to children?

Lord Prior of Brampton: My Lords, I understand that that is precisely one of the issues that the responsibility deal has studied and addressed.

Baroness Masham of Ilton (CB): My Lords—

Lord Brooke of Alverthorpe (Lab): My Lords, may I quickly return to the issue of minimum unit pricing, because—

Noble Lords: Order!

Baroness Masham of Ilton: My Lords, thank you. Is the Minister aware that the UK is the worst country in Europe for liver disease? Is he not rather worried about cutting funds for public health?

Lord Prior of Brampton: My Lords, we clearly have a major problem with liver disease—I think that we can all agree on that. The report by the *Lancet* commission has some very useful recommendations that we must take seriously. It is true that other countries in Europe have had more success in tackling this. I cite France as a case in point. We will take on board the number of recommendations made by the *Lancet* commission, as well as other initiatives we are taking.

Housing: Carbon Monoxide Monitoring

Question

3.22 pm

Asked by ***Baroness Gardner of Parkes***

To ask Her Majesty's Government how they intend to inform the public of the new requirements for carbon monoxide monitoring in rented residential properties.

Baroness Gardner of Parkes (Con): My Lords, while declaring an interest as in the register, I beg leave to ask the Question standing in my name on the Order Paper.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Williams of Trafford) (Con): My Lords, the new requirements for smoke and carbon monoxide alarms were published widely, both before and after their commencement. Methods included contact from officials and stakeholders, a £10,000 government social media awareness campaign, leaflets distributed to landlords, press notices, Facebook posts and an awareness campaign run by the Chief Fire Officers Association, which was estimated to have reached more than 8 million people.

Baroness Gardner of Parkes: I thank the Minister for that reply, but I spent an hour and a half this morning in the Library, trying to trace with the staff the public information that is available. They suggested that the thing to do was to go on to the GOV.UK website, which is the official national website. I have pages from it here. The opening page referred me to

[Baroness Gardner of Parkes]
another document, then to another document and another. There were alternative searches. What it all boiled down to was: if you proposed to rent a property and had no idea, you should ask the landlord. I am, of course, a landlord. I found it impossible when I bought the carbon monoxide monitors to know where I should put them. Now, having studied this all morning, I have discovered that they are only for if you are burning solid fuel. They are not for gas at all. This has not been made clear. I could show her chapter and verse but I do not want to waste the time of the House—

Noble Lords: Hear, hear.

Baroness Gardner of Parkes: I could show where GOV.UK definitely does not have the answers that people require. Will she update the website?

Baroness Williams of Trafford: My Lords, I will not personally update the website but I thank my noble friend for alerting me to the fact that it is not as accessible as it should be. I will take that back. We constantly update the GOV.UK website to make it as up to date and accessible as possible. I mentioned the other matter of solid fuel appliances requiring carbon monoxide alarms during the debate on the relevant SI, but perhaps I could have been clearer about it.

Lord Beecham (Lab): My Lords, it has been several days since the regulations were approved. In the debate on that occasion, I raised the question of the need to inform tenants, as well as landlords, of the new provisions. Will the Minister indicate what efforts have been made to inform tenants, and whether in particular local newspapers, local authority publications and local broadcasters have been asked specifically to target tenants with this information? What steps have been taken to check on the progress made by private landlords in relation to installation?

Baroness Williams of Trafford: The noble Lord did, indeed, ask me how tenants would be informed. I think I said at the time that the *How to Rent* guide would be updated by 1 October to give tenants the full information. It has, in fact, been updated and the information is on page 4 of the guide. I assure the noble Lord that every new tenant will get a copy of the *How to Rent* guide. In addition, there are social media handles and a Facebook page on the subject.

Lord Palmer of Childs Hill (LD): My Lords, does the Minister agree that, despite all this wonderful information on this wonderful government website, a lot of tenants and landlords will not access it, understand it or read it? Are the Government prepared to be more innovative and more holistic in getting this message out to landlords as regards their liabilities and to tenants on what they can expect? I hope that every landlord pays tax. Could not Her Majesty's Revenue and Customs tell every landlord what they should be doing in this regard? Does the Minister realise that most students in what we used to call sixth forms will probably be private sector tenants in the near future? Should we not have classes in sixth forms to tell them about their rights?

Baroness Williams of Trafford: My Lords, as I have just said, the *How to Rent* guide will be available to every single new tenant. It was produced on 1 October to capture the student tenants to whom the noble Lord referred. The campaigns that have been run have reached literally millions of people.

Lord Robathan (Con): My Lords, given the myriad sources of information to which she referred, does my noble friend the Minister think that landlords and, indeed, tenants have an individual responsibility to find out this information? Having let a property as a landlord last month, I assure the House that the information was staring me in the face.

Baroness Williams of Trafford: I thank my noble friend for that question. I did not set him up to ask it. He is absolutely right.

Lord Harris of Haringey (Lab): My Lords, who is responsible for enforcing this requirement, and what resources are made available for them to do so?

Baroness Williams of Trafford: It is up to the tenant to get in touch with the local authority if the regulations have not been complied with. The landlord will have 28 days to do so, within which time a notice will be issued.

Baroness Finlay of Llandaff (CB): Do the Government agree that we need an ongoing public education campaign about the silent killer that is carbon monoxide? It is generated from all fossil fuels and wood and can occur anywhere at all, irrespective of where people live. People going on holiday are at particular risk because their guard is often down. Will the Government accept my congratulations on having begun to do something about raising awareness of carbon monoxide detection?

Baroness Williams of Trafford: The Government certainly accept the congratulations. I also thank the noble Baroness for bringing this up during the SI debate. It certainly is a silent killer. I talked at the time about the first sign that you might be suffering from carbon monoxide poisoning being that you had a headache; you might then lie down and the next thing you might be dead. The noble Baroness is quite right.

Baroness Donaghy (Lab): My Lords, the Minister did not answer the question from my noble friend Lord Beecham about checking progress on this issue. I have a horrible feeling that it will take a tragedy before this is brought to real public attention. There are too many examples, particularly in London, where a subletting is in turn sublet for even shorter periods. I know of a sublet for 90 days which was then further sublet for two to three days at a time. With the deregulation that the Government are promoting on letting, how on earth can these things be properly monitored?

Baroness Williams of Trafford: I apologise to the noble Baroness that I did not answer all the noble Lord's questions. I think I answered two out of three—I cannot always answer all of them. In terms of progress, I hope that I will be able to give him an exact figure and I shall write to him on that. The fact is, looking at it the other way round, 26 lives per year are lost because of carbon monoxide poisoning and that figure alone should be enough to support these regulations.

Flooding: Cumbria

Question

3.31 pm

Asked by ***Lord Grantchester***

To ask Her Majesty's Government what emergency measures they are considering to support the emergency services and local communities affected by flooding in Cumbria.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Williams of Trafford) (Con): My Lords, my thoughts—and, I am sure, those of the whole House—are with those affected by these devastating floods. My thanks go to those, including the emergency services, who have worked tirelessly to protect people and properties. DCLG officials have ensured that local responders have had government support throughout. We announced on Monday the activation of the Bellwin scheme, which supports local authorities, including the emergency services, with the costs associated with flooding of this kind, and yesterday we announced council tax discounts and business rate relief. Today we have announced a further £51 million of funding to support the affected areas' recovery.

Lord Grantchester (Lab): I am sure all Members of your Lordships' House will join me in paying tribute to the emergency services for the vital work they have done and will continue to undertake in the days ahead for the communities affected by the severe weather in Cumbria. The Chancellor's announcement today of £51 million for families and businesses from the Treasury's emergency reserve fund is good news. When will local authorities be able to draw down on these funds? What will be the criteria for expenditure? Will there be any requirements or restrictions? How will families and businesses be able to access the funds they need?

Baroness Williams of Trafford: My Lords, I suspect it is too early to give that level of detail but, given that this is a crisis and a disaster, I imagine the funding will be available as quickly as possible. Certainly, the Bellwin funding is available as quickly as possible.

Lord Inglewood (Con): My Lords, I declare an interest as a Cumbrian. Does my noble friend agree that the priority must be, first, to get relief to those who have been so unfortunately, unhappily and disastrously affected and, secondly, to make sure that any additional rain that is threatened does not exacerbate the existing problem?

Baroness Williams of Trafford: My noble friend makes a very valid point and that is precisely what the initial response is designed to do: to make people safe, get them to temporary accommodation and clear some of the devastation that was caused initially.

Lord Clark of Windermere (Lab): The Minister has quite rightly praised the emergency services but is she aware that there is another emergency service, which has not been recognised, and that is BBC Radio Cumbria? BBC Radio Cumbria went on for 24 hours a day for two full days and without its assistance the county would not have done as well. Will she join me in paying tribute to it? Secondly, while it is too early to make any analysis, will she tell the House whether there is any truth in the assertion that the £4 million scheme for Kendal was delayed by the coalition Government, and will she give the House an assurance that this Government will not delay it any further?

Baroness Williams of Trafford: My Lords, I will join the noble Lord in that. I am sure that Radio Cumbria, just like all the other members of the community, really pulled together over the last few days to help in quite a devastated area. Like every other person who could play their part, I am sure Radio Cumbria has added to mitigating some of the agony of the people who live there. We are looking at a potential scheme to reduce the risk of flooding in Kendal but it is at an early stage of planning. Within the six-year programme, the proposed Kendal scheme is scheduled for 2020-21. We are considering with other funding partners how we can bring this scheme forward to improve protection for 440 properties, at a predicted cost of £3.95 million.

Lord Elton (Con): My Lords, these flood events are becoming increasingly frequent and all differ in some respect. Can my noble friend tell your Lordships what arrangements exist for the emergency services and local authorities involved in each event to exchange information, so that guidance on best practice and the preparatory arrangements for these events can be made on a national scale?

Baroness Williams of Trafford: My noble friend makes a very important point. The rescue and recovery operations that are in place can be effective only if all the agencies pull together.

Noble Lords: My Lords—

The Lord Privy Seal (Baroness Stowell of Beeston) (Con): I am sorry but I think we should go to the Bishop.

The Lord Bishop of Leeds: My Lords, what cognisance is taken by the Government of the stochastic modelling performed by the insurance industry and how many one-in-100-years events it takes for something to cease to be a one-in-100-years event?

Baroness Williams of Trafford: My Lords, I am sure that the right reverend Prelate will appreciate that this is probably a matter for God because every time that we have tried to predict, an even worse event has occurred. I do not make that point lightly. We are constantly reviewing the flood defences and how we can respond.

Non-Domestic Rating (Levy and Safety Net) (Amendment) (No. 2) Regulations 2015

Motion to Approve

3.37 pm

Moved by ***Baroness Williams of Trafford***

That the draft regulations laid before the House on 26 October be approved.

Relevant document: 8th Report from the Joint Committee on Statutory Instruments. Considered in Grand Committee on 7 December.

Motion agreed.

Equipment Interference (Code of Practice) Order 2015

Regulation of Investigatory Powers (Interception of Communications: Code of Practice) Order 2015

Police and Criminal Evidence Act 1984 (Codes of Practice) (Revision of Code E) Order 2015

Motions to Approve

3.37 pm

Moved by ***Lord Bates***

That the draft orders laid before the House on 4 and 9 November be approved.

Relevant documents: 14th Report from the Secondary Legislation Scrutiny Committee, 9th and 11th Reports from the Joint Committee on Statutory Instruments (Special attention drawn to the instruments). Considered in Grand Committee on 7 December.

Motions agreed.

Armed Forces (Service Complaints Miscellaneous Provisions) Regulations 2015

Motion to Approve

3.38 pm

Moved by ***Earl Howe***

That the draft regulations laid before the House on 28 October be approved.

Relevant document: 11th Report from the Joint Committee on Statutory Instruments (Special attention drawn to the instrument). Considered in Grand Committee on 7 December.

Motion agreed.

Disclosure of Exporter Information Regulations 2015

Payment Accounts Regulations 2015

Motions to Approve

3.38 pm

Moved by ***Lord Ashton of Hyde***

That the draft regulations laid before the House on 17 November be approved.

Relevant document: 10th Report from the Joint Committee on Statutory Instruments. Considered in Grand Committee on 7 December.

Motions agreed.

Exclusivity Terms in Zero Hours Contracts (Redress) Regulations 2015

Legislative Reform (Further Renewal of Radio Licences) Order 2015

Motions to Approve

3.38 pm

Moved by ***The Earl of Courtown***

That the draft regulations and order laid before the House on 19 October and 25 March be approved.

Relevant documents: 7th Report from the Joint Committee on Statutory Instruments, 1st Report from the Regulatory Reform Committee. Considered in Grand Committee on 7 December.

Motions agreed.

Welfare Reform and Work Bill

Committee (2nd Day)

3.39 pm

Relevant document: 13th Report from the Delegated Powers Committee

Clause 4: Workless households and educational attainment: reporting obligations

Amendment 24

Moved by ***Baroness Lister of Burtersett***

24: Clause 4, page 4, line 38, at end insert—

"( ) children in low income households where one or both parents are in work."

Baroness Lister of Burtersett (Lab): My Lords, in moving Amendment 24 and speaking to Amendment 26, I also make clear my support for Amendments 25 and 46. I may well intervene later in support of maintaining the existing income and deprivation measures.

The purpose of Amendments 24 and 26 is to balance the obligation introduced by Clause 4 to report data on children in workless households with a similar obligation with regard to children in low-income working households. Whether the primary concern is life chances, as in the Bill, or child poverty, which Ministers assure us the Government are still committed to eliminating, it cannot make sense to exclude from reporting obligations the two-thirds of children living in poverty in households where a parent is in paid work. The Resolution Foundation points out that,

"worklessness has become less associated with poverty in recent years"—

which is to be welcomed—but it also warns that measures in the Bill are likely to strengthen the link again. At the same time, it observes that,

"children in poverty have become increasingly likely to come from working households".

In his letter to your Lordships, the Minister stated that,

"Our evidence review, published in 2014, supports our approach".

Up to a point—like my noble friend Lady Hollis and the noble Baroness, Lady Stroud, I have read the review of the drivers of child poverty, and it continually brackets together parental worklessness and low earnings as the key factors for child poverty now, with implications also for life chances. The review found that childhood poverty itself is one of the factors increasing the risk of a poor child growing up to be a poor adult. The review spells out explicitly that the "main factor" making it harder to exit poverty is,

"lack of sufficient income from parental employment, which restricts the amount of earnings a household has".

It underlines:

"This is not just about worklessness, but also working insufficient hours and/or low pay".

Parental worklessness and low earnings are together the key factors in whether children are, as the report puts it,

"likely to be stuck in poverty for longer",

with implications for outcomes and the,

"risk of becoming poor adults".

In sum, the review makes clear:

"Long-term worklessness and low-earnings are principal drivers of child poverty and the key transfer mechanism through which the majority of other influential factors act. As would be reasonably expected, results from numerous studies of poverty statistics and dynamics clearly demonstrate a strong link between earnings and poverty levels".

Forgive me for quoting at such length from the review, but given that the Minister himself has prayed it in aid and given that, I assume, the analysis was commissioned to throw light on what Ministers refer to as the "root causes" of poverty, it does seem bizarre that they now deliberately ignore a root cause or driver, the importance of which is demonstrated by their own analysis.

Moreover, a more recent departmental analysis of child poverty transitions between 2009 and 2012 shows that a rise in earnings or an increase in the number of hours worked are key events related to exiting child poverty, with exit rates virtually the same as those associated with moving from worklessness to full-time work. Given all this, and other evidence, it is not surprising that the Social Mobility and Child Poverty Commission's response to the Government's latest child poverty strategy argued that the strategy should:

"Focus more on tackling in-work poverty".

Although getting more parents into work is a big step forward, it does not automatically bring reductions in child poverty, because in too many cases it simply moves children from low-income workless households to low-income working households. Too many parents get stuck in working poverty, unable to command sufficient earnings to escape low income, and cycling in and out of insecure, short-term and low-paid employment with limited prospects.

It is also worth making the point that worklessness is not a measure of child poverty as such. A decent social security system would protect children from poverty in households where there is no working parent. Not surprisingly, the analysis by Kitty Stewart and Nick Roberts of CASE at the LSE found that the great majority of those who commented on it in the 2012 consultation on child poverty measures rejected the inclusion of a worklessness measure. Not only did they consider it an inappropriate measure of poverty but many also pointed out that it was misleading, given the high level of poverty where a parent is in paid work—a point also made by some of the minority who supported a worklessness measure.

3.45 pm

These amendments have the support of the Equality and Human Rights Commission and the End Child Poverty coalition. The EHRC warns that the new measures, premised on work providing a route out of poverty, do not address concerns about whether conditions of work are just and favourable, in line with Article 7 of the International Covenant on Economic, Social and Cultural Rights. I could quote further evidence showing that poor work can be as harmful as no work to children and their parents.

When at Second Reading my noble friend Lady Hollis asked the Minister how the Government will account for poverty among children of working families, he simply referred to the continued publication of the HBAI low-income statistics. He did not explain why there had been no reporting obligation on children in low-income working households to ensure accountability with regard to this group. I would be grateful if he could give a proper explanation now. As it stands, the absence of such an obligation can only lead to the conclusion that the Government are not interested in one of the main drivers of child poverty and life chances. That would mean the statutory reporting obligations were based on measures that are simply not fit for purpose, to use the term the Minister employed at Second Reading about the existing measures listed in Amendment 25—which, in contrast, have the overwhelming support of the scientific community. I beg to move.

Lord Kirkwood of Kirkhope (LD): My Lords, I added my name to this amendment. I do not want to add anything to what was said by my noble friend

[Lord Kirkwood of Kirkhope]
Lady Lister of Burtersett—I call her that advisedly as we worked so closely for so many years and have always had a common approach to this kind of problem. It is a priority for me in this Bill to try to establish the importance of working poverty. Because of the incipient recovery we are experiencing at the moment and some of the other labour market conditions that apply, subject always to risks from the global economy, the future challenge for Government will be less one of providing employment and more one of providing sustainable, predictable employment and career progression.

Universal credit has the mechanism and architecture to enable us to do that but I am concerned that we seem stuck in the problems of the past 10 years, which clearly included worklessness. It was right that we focused on those problems. Universal credit was created in 2008 and at that time our economy was suffering from many years of serious unemployment and its consequences. However, conditions have now changed. It is very important that in-work poverty should be addressed together with career progression. As my American friends say, it is any job, better job and then career—an ABC of employability. That is a very important part of the Government's responsibilities.

In passing, I have to say that I am disappointed that the Child Poverty Act 2010 has been emasculated to the extent that it has been. I want to underscore everything that the noble Baroness, Lady Lister, said; she is merely reflecting the problems relating to the reporting requirements. What we have lost from the 2010 Act are the targets and the strategy. I think that it was the noble Lord, Lord Lansley, who made the point in his excellent maiden speech that declaratory legislation is not always that clever, given that it is not what Governments intend to do, but what they actually achieve and how they go about it, that is important. When the noble Lord, Lord McKenzie, brought forward the Child Poverty Act 2010, I approached it from that point of view. However, I am now better informed and have changed my mind—I think it is worth having and that the targets and strategies are certainly worth fighting for. We are losing a lot in picking this 2010 legislation apart; I really regret that. We will come back to that in later amendments, but for the moment I am satisfied to seek to get the Government to concentrate on in-work poverty in the development of their poverty programme—such as it is—but even more so to get career progression developed within the mechanism of universal credit.

Baroness Manzoor (LD): My Lords, I shall speak to Amendments 24, 26 and 46, to which I have added my name along with those of the noble Baroness, Lady Lister, and my noble friend Lord Kirkwood of Kirkhope. Amendment 24 clarifies what we mean by children in low-income households where one or both parents are in work. Amendment 26 builds on Amendment 24 and inserts "low income" and "in work" for further clarity.

The Bill repeals the Child Poverty Act 2010 and the requirement for the Secretary of State to develop a strategy for tackling child poverty. That is really worrying, because poverty is a cost that the UK cannot afford. It wastes people's potential, drains public finances and hampers economic growth. The new definition risks underestimating the rise in in-work poverty, downplaying income and obscuring families' ability to pay for decent housing. Moreover, as we all know and heard again in the first Committee sitting, such children are more likely to suffer from poor health, do worse at school, be jobless in future and die earlier.

I agree with the Joseph Rowntree Foundation, which believes that income measures should better account for household costs by including analysis of income after essential costs such as childcare and housing costs are removed—particularly given how high housing costs are in cities such as London. I agree that that would support a much more dynamic picture of the living standards of UK households. Will the Minister consider bringing forward government amendments to develop and publish a life chances strategy that retains some income-related measures in the basket of measures we already have—given, in particular, that the Government intend to retain the HBAI reporting measures? I cannot see why those could not be added, because they are going to be collated anyway, but it would be good to have them on the face of the Bill.

The Earl of Listowel (CB): My Lords, I rise to speak to my Amendment 25 in this group. Before I do so, I apologise to your Lordships for my overenthusiasm on Monday in Committee. I am afraid that I spoke too often and at too great a length, and therefore contributed substantially to the delay that day. I will seek to be shorter today. I have an amendment in this group and two or three in the next group, so please bear with me.

Amendment 25 would reintroduce into the Bill the four measures of child poverty that were introduced in the Child Poverty Act 2010. I listened to what the noble Lord, Lord Kirkwood, said, and regret with him that so much of that Act is being taken away by the Bill. I am concerned that this is a pattern one sees over the years: one Government come in and often undo the good work of the preceding Government. I am attracted to the approach Finland took towards its education system. Some years ago it began to be concerned about the quality of its education system, and a cross-party consensus was built that what was most important was to recruit and retain the best teachers and raise their status. Some 15 years down the line, it has the best-performing education system in the world. Therefore, in these important issues there is a lot to be said for building on the best of what is produced by whatever Government and not simply taking away what was put in place before.

The first time I met the noble Lord, Lord Freud, he was just publishing or launching his report for the Labour Government into improving employment. He has a very single-minded and focused passion to get more people in this country into work and is a supreme advocate of the value and importance of work not only to the nation and its economy but to its individual citizens. It was my privilege to work with the noble Lord, Lord Nash, on the education legislation coming through, and he in his turn is very focused on improving education incomes, principally through developing more academies. I pay tribute to the huge success the Government have had in getting more of our people into work in this difficult time. I make these points

because I hope that the Minister might be prepared to be broad-minded and embrace other approaches which might help him to achieve the outcomes he wishes to achieve.

I read with great interest the speech of the Prime Minister, David Cameron, to his party conference, when he spoke about the importance of social justice and social mobility and in particular about looked-after children and improving their outcomes. I suggest that the Government may be missing a trick here. Yes—more work and improving educational outcomes are important. However, a very important contribution to both of those is to address income poverty. A child attending school who has not eaten the night before or had breakfast may well find it hard to do well at school. If there is not the transport to enable families to see each other and keep connections, they may well suffer from isolation or mental ill health and the family can decline. If these measures were reinstated in the Bill, that would help the Government with regard to their aims on social mobility.

The Minister may wish to refer to the letter from the Children's Commissioners for the UK, which was copied to me. The Children's Commissioners of the UK—for England, Wales, Northern Ireland and Scotland—wrote to the Minister supporting this amendment on reintroducing the measuring of child poverty, and they made a very powerful case. I look forward to the Minister's response and I hope that he can be sympathetic. From our previous discussions, and from listening to his response at Second Reading, I have the sense that he is strongly opposed to these proposals but I hope that perhaps, on reflection, he might be able to see that this will enrich and support what he proposes and not be a hindrance to it.

Baroness Blackstone (Lab): My Lords, I apologise that I was not able to speak at Second Reading. Had I done so, I would have focused in particular on the measurement of child poverty. I passionately believe that any Government who are concerned about this issue need to know what its extent is, and whether it is going up or down. Therefore, why on earth abandon the long-established measurements that have been adopted, not only in this country but by many other bodies such as the OECD and the World Bank? It is an internationally recognised approach to the measurement of poverty. I support the amendments in this group and very much support the arguments made by my noble friend Lady Lister and the noble Lord, Lord Kirkwood, and those of the other two speakers who have already contributed.

I begin by asking the Minister why the Government have wilfully ignored the responses to the consultation launched by the coalition Government, of which the Conservative Party was the leading partner. I want to quote from a Child Poverty Action Group document which sets out the responses to that consultation—I think that they became public as a result of a freedom of information request. Some 97% of respondents believed that all the targets under the Child Poverty Act 2010 ought to be retained. Only 8% of respondents believed that new measures were needed to replace the current ones. Some 90% of respondents believed that income should be included in a measure of poverty, and only 1% believed that it should not be included. Some 97% of respondents believed that income is an important or very important dimension of poverty. In responses to a consultation document, you rarely get such enormously high proportions wishing to continue with something whose abolition the Government are consulting on, so I would like the Minister to say why the Government have ignored those responses. As I said earlier, the measures are based on very extensive work, and the Royal Statistical Society has always described them as the product of very valid social science procedures. I have already stressed their international aspect and their comparability with what is happening in other countries. That is my first question to the Minister.

4 pm

Having read what was said in the debate on Monday night, when my noble friend Lord McKenzie of Luton made the case for retaining the measures, I feel that the Minister's reply—I hope that he will not mind my saying this—was somewhat inadequate. Perhaps he could give us a rather better answer than the one that he gave on Monday evening. The Government seem to be resting their case on their wish to measure what they call "life chances" and the need to tackle the causes of poverty. As a former academic who has been interested in social policy and worked in the area of social policy for many years, particularly in the area of educational disadvantage, I think that the Government have got themselves into a real intellectual mess here, because they cannot distinguish properly between cause and effect. I do not know where their advice is coming from and which social scientists they are seeking views from, but anybody that I have ever talked to would make it absolutely clear that many of the things that the Government now wish to measure are the effect, and not the cause, of income poverty.

I do not dispute that it is worth measuring these other things in relation to life chances. Most of them are already being measured, so the Government do not have to spend a huge amount of money collecting new information, but they cannot, and should not be, an alternative to retaining the Child Poverty Act 2010 measures. As the noble Lord, Lord Kirkwood, said just now, is it not rather bizarre that something retained in legislation so recently should suddenly be abandoned? I find that very difficult to understand.

I underline that poverty is the cause of many of these serious problems. Let us look at them in turn. I am the first to accept that we should tackle worklessness. There is nothing more difficult than living in a family where no one is in work. Long-term worklessness or unemployment is a scourge in our society, and of course unemployment is one of the keys to low income. However, as my noble friend Lady Lister has already said, there are many, many families where both parents are working but the children are still living in poverty. Indeed, 64% of children living in poverty are in fact in working families. Surely we must come back to that statistic. Indeed, employment does not always alleviate poverty, so please will the Government look at the evidence?

Poor achievement amongst children of any age is often caused, at least in part, by the poverty of their environment. They live in homes where their parents

[Baroness Blackstone]
suffer considerable stress, or in homes where there is often inadequate heating, so there is nowhere warm in winter to do their homework. They live in overcrowded homes where there is often nowhere they can quietly work in any case, whether the temperature outside is warm or cold. They live in homes where there are no books, because their parents cannot afford to buy them or are unaware of the importance of children having access to them. They live in homes where their parents are struggling to feed them and therefore cannot afford to pay for the extra-curricular activities that schools provide—activities that are often of enormous educational value. So, the Government really have got it the wrong way round. I of course accept that the relationship between cause and effect is very complex. Children who grow up with poor achievement related to the income poverty of their homes will leave school with poor achievement, and then find it more difficult to get employment and to secure an income. So, there is a continuation of this process.

Turning to rent arrears, I chair a housing association and I know that some of its clients, like many others, have enormous difficulty paying their rents, and some will have greater difficulty as a result of this legislation. If you cannot pay your rent, you are at huge risk of being evicted and becoming homeless, particularly if you are in private rented accommodation. What does that do for the lives of children? They will be living in even worse accommodation, their educational opportunities will be even more damaged, and they will often be emotionally damaged by the instability of having to move house into often appalling accommodation.

I understand that the Government are interested in problem debt. Problem debt does not cause poverty but is an effect of it: people get into debt because they do not have enough money to run their lives and to provide a reasonable quality of life for their children. The same is true of drug and alcohol dependency. Of course it contributes to poverty, but often, very poor people turn to such abusive forms of behaviour, which do huge damage to themselves and to their children, because they are in such serious and unacceptable poverty.

Will the Minister spell out in some detail where he and the Government are getting the advice from to drop these long-established measures, and state just how these other measures can possibly be a satisfactory answer in that regard? I just cannot understand how anybody could accept such an argument. It is intellectually a very poor position to take.

I do not want to deny that the Minister and, indeed, the Government as a whole, are serious about the issue of poverty, particularly amongst children, but I am confused. If they are serious, why are they not prepared to accept the publicity that derives from findings showing that we are not being as successful as we should be in tackling poverty? Are they not courageous enough to look at this evidence, say they are concerned about it and think of ways to deal with it? Let us please be more courageous in collecting this evidence, so that we can be better informed about the extent and nature of this very serious problem—which is a problem not just now, but for the future—and think of ways to resolve it.

Baroness Grey-Thompson (CB): My Lords, I shall speak to Amendment 25 in the name of my noble friend Lord Listowel, to which my name is also added. It is vital to measure and report on the number of children living in poverty. The reason I support the amendment is that child poverty is multifaceted. The principle of the existing Child Poverty Act, which had cross-party support at its implementation in 2010, was that no child in the UK should live in poverty but that all should have financial security, a good home and the educational opportunity that they need to give them the best chance in life.

While the Government have said that they will continue to produce, although not report on, the households below average income report from which the headline child poverty rates are derived, without the statutory reporting requirement there would be nothing to prevent a future Government from ceasing to produce HBAI statistics. I do not believe that this should be allowed to happen without a change in primary legislation and proper scrutiny from both Houses of Parliament.

There is no perfect measure to understand child poverty, but it is clear to me that income needs to be at the core. There might be other factors such as parental addiction, neglect and depression, and they may increase the risk of income poverty—and they have effects on their own—but the most fundamental problem is that children growing up in households with low relative incomes will find it harder to thrive.

The noble Baroness, Lady Lister, has already mentioned the report from Kitty Stewart and Nick Roberts for the Centre for Analysis of Social Exclusion. The Royal Statistical Society has described the existing relative measure as,

"the product of valid social science procedure",

arguing that,

"any replacement would need to be subject to the same degree of rigour, including a robust process of consultation".

Why is the Minister ignoring his own Government's consultation, which the noble Baroness, Lady Blackstone, has raised? Out of the 203 responses that referred to income, only nine felt that income should not be a headline measure, and just one, from a private individual, felt that income should not be included at all. I urge the Minister to look at this amendment again.

Baroness Stroud (Con): My Lords, until now, we have focused on measuring income by the HBAI statistics. But if we also measure life chances, we will also invest in supporting people by reversing the dynamics that cause people to be poor. There are a number of flaws in the way in which the current child poverty measures are collected. They show poverty falling when the economy is in recession. If you raise the national living wage, you can statistically increase child poverty. If you invest in pensioners, this, too, can plunge children into poverty statistically. We do not want a measure that is so easy to move in the wrong direction when Governments do the right thing and that moves in the right direction when the economy is in recession. We want measures that actually identify those whom we are concerned about, and that incentivise government support and intervention to do the right thing to improve the life chances of those who are in poverty.

The life chances measures are designed to ask what drives poverty. They ask the question, "Who are these families and how can they best be supported?". It is not the same families who are in poverty year on year. Half of all children who are poor in one year are not poor one year later. The fact that half these families get themselves up and out and can improve their own life chances leads us to ask the question, "Which families get stuck, and why?". The vast majority of children in poverty belong either to families who are workless or who are working only part-time. Some 74% of poor workless households who have found work escape poverty. This is why the Government have put employment at the heart of their life chances measures. There is no single more effective anti-poverty strategy than moving a family from unemployment to full-time work.

4.15 pm

The second characteristic of those who get stuck is lack of skills, or even no skills. This is why the Government are putting educational achievement at the heart of their strategy. Of individuals in persistent poverty, 44% have no qualifications. Of children with parents without qualifications, only 7% had not experienced poverty. By contrast, of children with parents who were qualified above A-level standard, only 4% had experienced persistent poverty. The importance of raising educational achievement for those on low incomes has never been so pressing. The resilience and resistance it provides to shield families from poverty is unquestionable. If government wants to change the life chances of a generation, this is the place to start.

There are three other entrenchment factors that will also be reported on: family stability, debt and addiction. While causational correlation will always be disputed, these factors are present for families who get stuck or entrenched. This is either because there is only one adult who can work in the household; because of the difficulties of accessing credit and the vicious cycle of problem debt; or because of the impact of drugs and alcohol on vulnerable children.

We need to change these measures to ensure that government has to wrestle with what really drives poverty and takes steps to ensure that the next generation has a better chance than the current generation. It is easy to give the family of an addict another £100 a week—government is good at that—but these are serious measures to ensure that Governments place their money and their investment in significantly harder, but in the long-term more effective, interventions.

Lord Liddle (Lab): My Lords, I had not intended to speak in this debate. I am no social security expert, but I did have quite a lot to do with these issues when I worked in 10 Downing Street as Tony Blair's Europe adviser. My intervention was prompted by what my noble friend Lady Blackstone said.

It is not very popular today to talk about the admirable things that new Labour did, but I am certainly happy to do so. In 1997, we inherited a situation where, I think, 25% of children were living in poverty. That was the new Labour inheritance. It was the result of de-industrialisation, the downgrading of social security and all that had happened in the Thatcher years. We did not run away from the fact that 25% of children were living in poverty; we tried to do something about it. What is more, as members of the European Union, we were very happy to measure ourselves against the performance of other members of the European Union on the score of tackling poverty and social exclusion.

Actually, Britain's record in this area is pretty deplorable and, I am afraid to say, still is not very good. One of the things we did was support a comprehensive set of indicators that was devised to measure poverty and social exclusion. This was done by a working group under the leadership of probably the most distinguished economic statistician of his generation, Sir Tony Atkinson. We were glad to see this comprehensive set of measures, including the standard measures of child poverty and lots of other measures of social inclusion, because we wanted to learn from the experience of other countries about how best to try to tackle the deeply embedded problem of child poverty.

It seems to me now that the Conservative Government appear to be trying to treat Britain, as it were, as a special case. They no longer want to see Britain compared to other countries on the standard measures. They want to devise their own measures in relation to what they think matters. This is deplorable because all of us in this House ought to share those ambitions and we all ought to be able to see how we are doing in relation to other countries and learn from the experience of other countries.

The second point I will make about what I remember from 20 years ago is that when we came in, I was certainly very convinced by the argument that the best answer to poverty was a job. I think that the noble Baroness, Lady Stroud, shares that view. There is a lot of truth in that proposition, but as time has gone on and we have seen how polarisation in our labour market has increased—and it has increased dramatically in the last two decades—and we have seen the spread of low-paid and insecure work, it is much more the case now than it was 10 or 20 years ago that people can be in poverty and have a job at the same time. That is why I thought that the speeches made about the importance of measuring in-work poverty were so right. This is a problem of our times: it has become a much more serious problem, and if we try to turn our back on it, we will betray the cause of a more socially just society.

The Lord Bishop of Durham: My Lords, I will speak in support of Amendments 24, 25 and 26. I know that everyone in this House, and indeed in the other place, is committed to protecting those children in our society who are vulnerable to suffering the worst effects of poverty. Indeed, I know that there is a broad recognition across the House that some form of statutory reporting on the issues of child poverty and children's life chances is an important tool in driving initiatives that will combat that poverty. The questions about what should be included in Clause 4 are questions of best practice, rather than questions of best intention.

I welcome the Government's commitment to tackling the disadvantage that can arise from worklessness and poor educational attainment. It is certainly true that children growing up in long-term workless households

[The Lord Bishop of Durham]
are placed at a significant disadvantage to their peers when it comes to their future working lives, as are those who leave school with low educational attainment. A thorough reporting on these indicators should help drive initiatives to combat these two factors, which can be so detrimental to the life chances of children. I welcome the Government's focus on these two priorities.

However, it is my belief—and the belief of the vast majority of organisations working in this area, as we have already heard—that measuring workless households and educational attainment alone is insufficient as a method of measuring a child's life chances and exposure to poverty. There are, of course, all sorts of other factors that can influence the future prospects of children: problem debt, substance abuse, family breakdown and substandard housing. The list of life-chance indicators should be extended to include these. We also know that children's life chances are shaped very early on in their lives, so we need to be looking at cognitive and social development at a younger age.

Most significantly, however, the current set of life-chance indicators completely fails to capture income poverty and material deprivation, particularly in relation to in-work poverty. I think that we have to keep on repeating this: some 64% of the children defined as living in poverty under the current measures are in working households. This should give us cause to stop and think about how effective these new measures will be when no assessment of in-work poverty is facilitated. It is particularly problematic given the well-established body of evidence demonstrating the strong link between material deprivation and the wider life chances of the child.

The Government talk confidently about focusing on the root causes of poverty rather than the symptoms, but I think that the reality is a little more chicken and egg than perhaps they would like to admit. Let us take as an example educational attainment. Does poor educational attainment make it more likely that children will experience poverty and deprivation in later life? Yes, of course it does, but income poverty and deprivation also make it far more likely that children will do less well at school, lacking the resources they require to compete with their peers on an even footing.

As it stands, Clause 4 is inadequate. In the right desire to move away from an overly simplistic definition of child poverty rooted in money alone to a broader-based, root-cause understanding, I fear that a tap-root cause is being lopped off, and that will make the other roots less stable. We all know that if you take out the tap-root, the danger is that the whole tree will fall. We must retain some assessment of income poverty, and particularly in-work poverty, in the life-chances measures. Given that at Second Reading the Minister, the noble Lord, Lord Freud, committed the Government to the continued publication of the HBAI measures that are currently enshrined within the Child Poverty Act 2010, it seems odd that the Government are so reluctant to include those measures on a statutory basis in this Bill, which would cost almost nothing. I and most organisations working in the area of child poverty would like to see this happen. At the very least, a report of in-work poverty that draws on those figures must be included within the reporting obligations, as has been suggested by the noble Baroness, Lady Lister. A failure to report on in-work poverty would be a real failure by a Government who have prided themselves on combating low pay and making work pay.

Baroness Hollis of Heigham (Lab): My Lords, I am keen to follow up on the speech of the noble Baroness, Lady Stroud. She has asked the right questions, if I may say so, but I do not go with her on some of her responses. First, she criticised relative poverty as a measure for assessing income poverty and is therefore throwing it out and retaining only worklessness and the educational attainment of children at the age of 16 as her main drivers. She did not remind the Committee that relative poverty is one of four indicators that include persistent poverty, absolute poverty and material deprivation. She is right to say that relative poverty reflects what is happening to the broader economy, but you need the other considerations and measurements as well, which we have. Taken in the round, they—particularly persistent poverty—are an appropriate, proper and dynamic snapshot of what is happening to families. I think that she will recognise that.

Secondly, the noble Baroness asked exactly the right question, which is this: why is it that half of people in poverty come out of it the following year but the other half are stuck, and how do we get to those who are stuck? If we look at what the Government are proposing in this Bill, and have been proposing through the summer, we will see that the reasons people are going to be stuck in poverty and therefore move into persistent poverty are being made worse on almost every count. People in work and in poverty who have poor skills certainly need job progression; that is well established. However, the primary reason why people are in work and have low pay and therefore are in poverty is because their work is part-time, insecure, or based on zero-hour contracts where from one week to the next they do not know whether they will be working for 10 hours or 30 hours, or they have young children. Most of us would not wish to see lone parents being forced, against their judgment of what is best for their family, to leave a two or three year-old in professional childcare while they work on a supermarket till when they feel that they should be trying to balance their work and life responsibilities—rightly so in terms of working part-time, but also in terms of bringing up their children so that those children can respond to the fact that simultaneously they have a parent at work and a parent at home. It can be hard for children, so we should not make it harder. That is a debate which I do not doubt we shall return to.

4.30 pm

What are the other reasons that the noble Baroness offered for why families get stuck? The reasons she ignored were in fact very interesting, because the biggest single reason why those families get stuck in poverty and do not get out is because they have another child. They are in larger families; they have three children, or more. What helped them in the past were child tax credits, which were paid to all children, so the position of that family was not deteriorated because of having an extra child. What are the Government going to do? They will make larger families

poorer, thus ensuring that what might have been temporary poverty for one year will now be persistent poverty because you do not dump your kids. While you have those children you will be in persistent poverty, and not be able to get out until in due course—in five, 10 years down the line—a second earner in the family, usually the woman, will be able to go into work. That will take that family out of poverty. While you have a larger family—the debate that we had on Monday—the earnings of the single earner will not be enough to lift that family. The noble Baroness has signed up to that policy, which undermines almost everything she has said about the need to help families who are stuck to get out of poverty.

Finally, the noble Baroness talked about debt and drug abuse, and the report that she, my noble friend Lady Lister and I quoted states that this has only limited effect because the numbers are very small. We know the drivers. The first driver is low pay because of part-time work. That reflects either family size or the labour market conditions of insecure, part-time, temporary contract work. The Government, on the contrary to helping those families, are making the situation worse. We know the second driver is large families, and the Government are making that driver worse and making the poverty of those families even harder to escape. If the Government refuse to include an income measurement at all—it should be that of persistent poverty, if they would only keep the stats—how will they measure the effectiveness of their policies? They simply will not know. It just becomes: "This is our belief—it is debt. This is our belief—it is drug addiction". There is no evidence for that if you do not keep the stats of why families cannot leave persistent poverty. By abandoning an income measurement the Government are saying, "We assert that these are the drivers of poverty, but don't trouble us with the evidence for its subsequent measurement to see whether we are spending public money appropriately".

No Government should take that position. If a Government claim that this is what drives poverty, they should be willing to expose that to the light of statistical evidence. They are walking away from that. The only reason most of us deduce from that is: you do not believe that the results will justify your measures. I fear that that is right.

Lord Hylton (CB): My Lords, I have much sympathy with the amendments in this group, but at the risk of appearing pedantic I ask the proposers of Amendment 25 what the meaning of "equivalised" is. It occurs four times. Does it mean "equivalent" or something else?

The Minister of State, Department for Work and Pensions (Lord Freud) (Con): I can answer that. It is a general way across the world that social scientists compare family to family of different sizes so there are ways of weighting each child or adult in the family.

Lord McKenzie of Luton (Lab): My Lords, this has been a thoughtful and extensive debate. Amendments 24 and 26 in the name of my noble friend Lady Lister and the noble Lord, Lord Kirkwood, would cause data on low-income families where one or both parents are in work—that is, in-work poverty—to be reported.

We support these amendments. We know, as we have heard, that some two-thirds of children living in poverty are in working families and that whatever the climbdown on tax credits, the Government have in-work support in their sights. If we are concerned with measures that look at the current experience of poverty as well as the risk of poverty, there seems no logic in including out-of-work but not in-work poverty, although the policy levers may be different.

Amendment 25 in the names of the noble Baroness, Lady Grey-Thompson, and the noble Earl, Lord Listowel, seeks to retain the current income measures in the Child Poverty Act. We, of course, support that. Our Amendment 46 does the same but retains that Act's targets as well.

The absence of income measures cannot be justified and runs counter to pretty much all the evidence or views of those engaged with child poverty. The Government's suggestion that income measures are a symptom of poverty, rather than a cause, is too simplistic. My noble friend Lady Blackstone gave us a great example relating to educational attainment. If people are poor they do not have the same opportunity to have the same equipment at home; they do not necessarily have books at home and they do not necessarily go to school with a meal inside them so that they can be more attentive at school. It is simplistic to say that one is looking at the experience of poverty and that it is not a symptom of poverty.

In its July 2015 response to the Government's child poverty statement—a number of noble Lords referred to this—the Social Mobility and Child Poverty Commission stated:

> "The commission has argued in the past that a more rounded way of measuring poverty—taking … account of causal risk factors—is sensible. The life chances of children, the poorest especially, depend on many things … It is not credible, however, to try to improve the life chances of the poor without acknowledging the most obvious symptom of poverty, lack of money".

Pretty much every noble Lord who has spoken in this debate, with the possible exception of the noble Baroness, Lady Stroud, agreed with that proposition. She asserts that looking at simplistic measures of income contains a number of flaws, but my noble friend Lady Hollis made clear that the Child Poverty Act 2010 had four measures. You need to look at the circumstances in aggregate, not just at one snapshot in time.

CPAG says:

> "We believe that poverty is a condition marked by a lack of adequate resources, some of which may not be financial. Nonetheless, an inadequate income remains the decisive characteristic of poverty and must remain central to any poverty measurement".

A number of noble Lords referred to the Centre for Analysis of Social Exclusion at the LSE and the work that it did. It looked at the responses to the DWP's consultation on child poverty measures, which sought to test the level of support for replacing the existing measures with new dimensions, including those provided for in the Bill. As we have heard, the research shows that there is a very high level of support for the existing measures in the current Act. Most wanted no change and those who countenanced additional dimensions saw this as supplementary information, but not as measures of child poverty itself. Most respondents were of the view that lack of material resources—

[LORD MCKENZIE OF LUTON]
income—was the very core of child poverty. We agree with that. It is suggested that respondents to the consultation saw the proposals to change the measures as bringing to an end the official measurement of child poverty in the UK. How does the Minister respond to that? He will doubtless tell us that the HBAI figures will still be published as now, but we know from our prior deliberations—the noble Baroness, Lady Grey-Thompson, made this point—that what gets reported under Clause 4 will be the focus of the Government's attention. That is why they are approaching it this way.

Baroness Lister of Burtersett: I am sorry to intervene, but I wanted to ask the Minister whether he could answer a specific question relating to that. I know that there are some fears about this among academic social scientists and the voluntary sector. I absolutely accept the Minister's assurances that the households below average income statistics will continue to be published, but will he assure the Committee that they will be really clear and published in an accessible form, not just as a load of Excel tables that some of us will not be able to understand? It is very important that we have that assurance on the record.

Lord McKenzie of Luton: I thank my noble friend for that intervention. I doubt there is much that she does not understand or is incapable of understanding, but she asked a highly relevant question. I hope that the Minister will give that assurance.

We have had a number of contributions to this debate. My noble friend Lord Liddle took us back in history but stressed the importance of the work that went into developing these measures in the first instance, enjoining the skills of Tony Atkinson. The right reverend Prelate the Bishop of Durham recognised the value of having worklessness and educational attainment as part of a measure. However, he said that that was not sufficient; there needs to be a focus on income if life chances are to be influenced and addressed.

The noble Earl, Lord Listowel, supported the existing measures in legislation. I think that the Child Poverty Act was the first legislation that the Minister worked on in opposition when he joined this place. At the end of the day, I thought that we had pretty much cross-party agreement, although it is fair to say that the Minister said there were other aspects of poverty which he thought should be reported as well. However, I do not believe that is the same as tearing up the Child Poverty Act, which is what this piece of legislation seeks to do. This is a very important issue because, unless we look at income, we will not address the here and now of poverty. It is all very well looking at some of those factors which have medium and long-term effects on people's life chances, but we also need to address how people without resources exist today. That is why we need these amendments.

Lord Freud: My Lords, if we are taking a trip down memory lane, I remind the noble Lord, Lord McKenzie, that he unceremoniously threw out my amendment to put in four key life chance measures, which I said at the time would better reflect the real drivers of poverty, so clearly the debate has not moved on a lot.

Lord McKenzie of Luton: Does the noble Lord accept that the issues he was talking about were quite properly to be included in the building blocks of the strategy, which the Bill also required? It did not eschew the measures themselves.

Lord Freud: I shall address the amendments. I am sure the noble Lord will come back to me on some of these issues as I go through my remarks. Amendment 25, in the names of the noble Earl, Lord Listowel, and the noble Baroness, Lady Grey-Thompson, seeks to expand the report to include data on children living in households with low relative income combined with the other three income measures in the current Act, as we have discussed. The reason that we do not want to include those is that they fail to tackle the root causes of child poverty and focus on symptoms, which we want to replace. I will set out my argument in full. The effect of Amendment 46, in the names of the noble Baroness, Lady Sherlock, and the noble Lord, Lord McKenzie, is wider still. It would prevent the repeal of those measures from the Child Poverty Act 2010.

I shall try to explain why we find the four income-related measures unfit for purpose, particularly as regards treating them as targets. The income measures they are based on are a poor test of whether children's lives are really improving. As my noble friend Lady Stroud pointed out, in the past, they have shown child poverty falling when the economy was in recession. Much more importantly, when you look at them as a driver of decisions by a Government, they are inherently unpredictable and would lead a Government to spend finite resources on action that does not produce the best results for children.

4.45 pm

I will illustrate the point about unpredictability by referring to the kind of commentary we have seen from external experts. The noble Lord, Lord McKenzie, will remember, as I do, when we passed that Act that an external expert estimated that the Government could meet their relative child poverty target by spending an extra £19 billion a year in financial transfers by 2020. In a separate analysis, it erroneously forecast an increase in the number of children in relative income poverty to the tune of 500,000 children. That is an enormous margin of error when the number of children in relative low income is 2.3 million, which would need to be reduced by about 1 million to fall below the current target of less than 10%. So £19 billion to do that, that kind of error rate, two years out, and you are asking a Government to take decisions with that kind of sum attached to them—and the forecast is wrong. I am not getting at the external people who made these forecasts—it was the IFS, which I think is the best organisation to do the forecasting—but I am illustrating that they are inherently unpredictable a couple of years out.

When the financial implications of having those measures as targets are that large, I do not think anyone would expect a Government to handle that level of forecasting unpredictability when dealing with this problem. Instead, the Government should be incentivised to focus their actions and finite resources on the root causes of child poverty, where they can

be sure to make the biggest impact. This is about transforming lives, not just moving families £1 above the poverty line.

Another thing to remember when we look at these measures as targets is that we are the only country in the world with a target in law to eradicate child poverty. Lots of countries use the OECD equivalised measures. We are the only country to have put it in as a legal target. I emphasise that we want to achieve the right outcomes for our children but I firmly believe that these amendments would not help us progress towards that common aim in the most effective way possible.

A number of noble Lords have mentioned the evidence review that we published in 2014. It makes it clear that worklessness and educational attainment are the factors that have the biggest impact on child poverty and children's life chances. I will talk about work in a moment when I come to Amendments 24 and 26. A good education is the bedrock for future success in life. At the heart of our determination to improve children's life chances and social mobility is a commitment that all children, regardless of background, are extended the educational opportunities that allow them to fulfil their potential. To pick up the query from the noble Baronesses, Lady Lister and Lady Blackstone, the evidence review found that the most important driver of poverty was worklessness.

Baroness Hollis of Heigham: And low earnings, my Lords. It says, in brackets, "low earnings".

Lord Freud: It referred to "low earnings" out of worklessness; that is why the brackets are there.

Baroness Hollis of Heigham: My Lords, that is one reading of it. I am sorry to trouble the Committee with this but the review makes it clear that while worklessness with both parents out of work is obviously a primary driver, if only one parent is in work there is still a very substantial risk of in-work poverty, as has been explained time and again. That is why in the Government's own research they are brigaded together.

Lord Freud: I will come to the point about the in-work and the workless in a little while. Let me go on.

Clause 4 will remove the existing measures and targets in the old Child Poverty Act and provide a statutory basis for much-needed reform to drive real change to improve children's life chances and tackle the root causes. It introduces a new duty on the Secretary of State to report annually on children living in workless households and children's educational attainment in England at the end of key stage 4. In response to the point made by the right reverend Prelate the Bishop of Durham about the other indicators, alongside these statutory measures we will develop a range of non-statutory indicators to measure progress against the other root causes of child poverty, which include but are not limited to family breakdown, addiction and problem debt. Anyone will be able to assess the Government's progress here. The Government are saying, "Judge us on that progress".

I turn to Amendments 24 and 26. With Amendment 24, the noble Baroness, Lady Lister, and the noble Lord, Lord Kirkwood, seek to expand the duty placed on the Secretary of State to publish and lay before Parliament a report containing data on children living in low-income families,

"where one or both parents are in work".

I think I can add the name of the noble Baroness, Lady Hollis, to that amendment in practice. Amendment 26 would add "low income" and "in work" to the list of terms to be defined in the annual report.

It is important to pick up the point raised by a number of noble Lords, including the noble Baronesses, Lady Lister, Lady Blackstone and Lady Hollis, and the right reverend Prelate, about two-thirds of children in relative poverty being from working families. It is correct that the HBAI figures show that 64% of children in relative poverty are from a family where at least one adult is in work. But this situation has developed over the past couple of decades due to the improved progress in tackling poverty in workless families. In 1996-97, the earliest period for which data are available, around 2 million children in relative poverty—around 60% of them—were from workless families, and around 1.5 million, or 40%, were in working families. During the 2000s, progress was indeed made in reducing the number of children in poverty from workless families by focusing spending on income transfers. Unfortunately, this had the unintended consequence of weakening work incentives and has resulted in hardly any change in the number of children in poverty from working families, which stood at 1.4 million in 2009-10. In other words, it was down by only 100,000.

This illustrates why we are transforming the benefits system and introducing the combination of out-of-work and in-work benefits in universal credit: it is to get rid of the position where you do income transfers one way and undermine the incentives for people to work. I ask noble Lords to think about this issue carefully. With the income transfer process under the old policy, which was not in the Act before, we drove straight into this conundrum of where the incentives were to get people into work.

As for the evidence we have on work being the best route out of poverty, according to the latest statistics, the risk of a child from a working family being in relative poverty is 13%, which compares to the risk for a child from a workless family of 37%. It is clear that a child in a workless family is almost three times more likely to be in poverty than a child who lives in a family where at least one adult works, meaning that the risk of a child being poor is dramatically reduced if at least one parent works.

Furthermore, earlier this year we published analysis on the transition into and out of poverty. This showed that 74% of children who are in poor, workless families will leave poverty altogether if their parents move into full employment. It also made clear that the more work parents do, the more likely they are to leave poverty, with 75% of children from poor families that are partly employed leaving poverty if their parents enter full employment.

Baroness Hollis of Heigham: We are putting a lot of emphasis on full-time employment, but children in persistent or recurrent poverty will usually be the children of lone parents, who by definition, because

[Baroness Hollis of Heigham]
they are bringing up children, have limits on the hours they can work. Another such group would be disabled people. It is the combination of low pay in work and limited hours that keeps them in poverty, although they are in work. To say they must go into full-time work when they have young children shows no understanding —if I may say this—of what it is like to be a single parent bringing up several children on your own.

Lord Freud: I can only provide the noble Baroness with these relative statistics on what is happening—where the risks for being in poverty are much higher when you are entirely workless. Clearly, as we look at our statistics for the workless, we will have quite a lot of analysis behind what is really happening there.

Baroness Blackstone: My Lords, would the Minister agree that most of those who have taken part in this debate have no objection to collecting information about worklessness or work as it affects those in relatively low-income groups? That is not what we are arguing about. What we are asking the Government to do is to go on counting the number of children who are living in poverty, whether their parents are in work or not in work.

The bewilderment about this that I expressed earlier is now somewhat reduced, because I think I understand why the Government do not wish to go on collecting this information—even though it is entirely wrong not to, because if you want to get rid of something or end it, you count it, otherwise you do not know where the hell you are. I think it is because of something he revealed earlier, which is that the Government do not want to have targets. I can see why the Government may not want to have targets, because it is often difficult to meet them, as we have seen in a lot of other areas, for example with the migration statistics. However, I am not asking that the Government necessarily stick to having targets. What I am asking, and what everyone else who has spoken in this debate, with the exception of the noble Baroness, Lady Stroud, wants, is that we retain proper, basic information—which any good Government who are concerned with evidence when developing their policies must have—on how many children, whether their parents are in work or not, are living in poverty. That is all we are asking for. Why are the Government not prepared to do this? Abandon the targets if you like, or do not call them targets, but do the measurements.

5 pm

Lord Freud: I actually think the difference between us here is not as great as it might look. The division is between the income measures and targets. A legal target is, as I said, financially terrifying but we will publish income measures. This issue was raised by—

Baroness Lister of Burtersett: Given what the Minister just said, will he now accept the case for keeping the income measures in the Bill even if he abandons the targets? As my noble friend said, the argument has really been purely about targets. I thought targets were quite helpful for the same reason as the noble Lord—my noble friend—Lord Kirkwood, but if that is what frightens the Government and there is really not much difference between us, then okay. What is stopping the Government keeping the measures supported by 99% or whatever of the scientific community that responded to their earlier consultation on child poverty that they seem to have completely ignored?

The Earl of Listowel: Before the Minister replies, it might be helpful to remind him that the amendment on targets is in the next group. I quite understand why he might choose to address it here but the amendment he is addressing that I and my noble friend tabled is simply about the measurement. I think the noble Lord, Lord Kirkwood, began the argument on targets but my amendment was intended to be strictly on the measurements.

Lord Freud: In practice, that is not the case. There are two sets of amendments in this group and Amendment 46 from the Opposition deals with the targets so I must deal with both issues. That is what I have been trying to do. I hear around the Chamber that more noble Lords are concerned about measures than targets.

In reality, there is only one word between us: statutory. I made a commitment that we will go on publishing HBAI and that is a protected position. Let me just explain how that works. The HBAI is a national statistic. That means that it complies with the code of practice for official statistics, which states that it must be produced independently of political influence. Any changes to HBAI in future would therefore be made only following the judgment of the head of profession for statistics in the Department for Work and Pensions. Any such changes would be subject to formal consultation with users, as required under the code of practice for official statistics. I think I am on reasonably safe ground in assuring noble Lords that we currently gather HBAI with a full documentary analysis. Like the noble Baroness, Lady Lister, I have that on paper in front of me or on my shelf. That has on it not only the Excel tables but also a clear commentary. By implication, I am saying that that will go on being published in a similar format.

Baroness Blackstone: My Lords, though the Minister makes a commitment, will he accept that, as is so often said in this House, if there is no statutory requirement and nothing on the statute book any one of his successors could abandon that commitment? That is why we who have concerns about children in poverty want this measure to go on being collected and to be done under statute.

Lord McKenzie of Luton: I agree that we should have this in legislation but can the Minister confirm that his personal commitment will cover the circumstances and the work that needs to be done to identify whether somebody is experiencing material deprivation? That is not just an income issue.

Lord Freud: I think the noble Baroness, Lady Lister, will support me here but my memory is that the material deprivation figures are in the HBAI statistics. She nods that that is the case, so I can confirm that.

I shall summarise briefly. I am not in a position to give noble Lords the one word they want, but hope I have indicated that the measures will be available to see what is happening to relative child poverty. I am convinced that it is our new life chances measures—the measures rejected six years ago by the noble Lord, Lord McKenzie, which focus on the key drivers of worklessness and educational attainment—that will make the biggest difference to children, and that these amendments, were they on a statutory basis, would dilute that focus. We want to focus on the measures that make a real difference to children's lives. I therefore invite the noble Baroness to withdraw her amendment.

The Earl of Listowel: I am grateful to the noble Lord, and, in particular, to the noble Baroness, Lady Stroud, for raising the questions that she did. As I said earlier, I am particularly concerned about the life chances of care-experienced adults and young people leaving care. In earlier debates the Minister assured me that there were strategies, and I know that there are many welcome investments, in terms of statute and finance, to improve outcomes for care leavers and care-experienced adults. However, the latest figures on 19 year-olds coming out of care who are not in employment, education or training are the worst for many years. Only 6% of young people leaving care are going on to university, compared with 40% in the general population. Despite massive investment by this and previous Governments in improving educational and work outcomes for young people leaving care, it is still not being as effective as one might wish. I think that what is being done is very good, but there needs to be a lot more work.

Then there are the young people on the edge of care, who do not reach the threshold. There are many more young people and children in need, who will have even worse educational and work outcomes. That is relevant to this debate, because what happens to these young people as they become adults, when they have such low educational qualifications that they cannot get on to apprenticeship schemes, have very little prospect of getting work and are likely to remain uneducated? One should always remember that many of them do do better in later life; because of early trauma, it takes them time to catch up. This large group may not be as susceptible to the incentives to work, or go on to further education, that the Minister is talking about. They might be particularly helped by measures of this kind, which focus on those in long-term poverty, and which would keep Parliament's mind on them and how they are doing. I hope that that makes sense to the Minister. He might like to write to me if he cannot respond now.

Lord Freud: I will write, because the issues that the noble Earl raises are genuinely important and difficult. We are all struggling with them. As we develop the life chances suite, we need to bear in mind the particular problems for those people, because as a group they have much poorer outcomes than they should.

Baroness Lister of Burtersett: I am very grateful to all noble Lords who have spoken. It has been a remarkably well-informed and genuine debate, where Peers have responded to what others have said. Sometimes it does not work like that. I think the message that has gone to the Minister has been pretty overwhelming. I thank him for genuinely engaging with noble Lords in his speech. However, I have not heard one convincing argument from him about why income and deprivation measures should not remain statutory. I heard his arguments for why targets should not be statutory; I do not agree with them, but he made an argument, and that is fair enough, but he has not responded convincingly to my noble friend Lady Blackstone or anyone else who made that case. We have heard such strong argument on that, but I have not heard one convincing reason why an in-work poverty measure should not be in the Bill. We can trade statistics until the cows come home. I have seen the recent transition statistics, and they support my case as well as the Minister's, and actually they are irrelevant. The point is that we need to know what is happening to those in work as well as to those out of work. There has been no convincing argument from the Minister in response to the very well-informed points that have been put by noble Lords.

I remind the Minister and the noble Baroness, Lady Stroud, that when the Prime Minister was leader of the Conservative Party he welcomed this. He said:

> "We need to think of poverty in relative terms—the fact that some people lack those things which others in society take for granted. So I want this message to go out loud and clear: the Conservative Party recognises, will measure and will act on relative poverty".

How can it if it does not have the measures in the statutes as they now exist?

I will withdraw the amendment, but I think we will want to come back to this issue on Report because it is so important. Perhaps by then, the Minister will have come up with some rather more convincing arguments than he has done hitherto. I beg leave to withdraw the amendment.

Amendment 24 withdrawn.

Amendments 25 to 30 not moved.

Amendment 31

Moved by ***Baroness Lister of Burtersett***

31: Clause 4, page 5, line 16, at end insert—

"A1AD Improving children's life chances

The Secretary of State must publish and lay before Parliament a report setting out the measures that the Secretary of State proposes to take to improve children's life chances, as understood with reference to section A1A(1)."

Baroness Lister of Burtersett: My Lords, it is me again. I shall speak also to Amendments 36 to 45, 47 and 48 and make clear my support for Amendment 32, which makes explicit mention of child poverty. I shall also oppose Clause 5 standing part of the Bill.

I am grateful to the Joseph Rowntree Foundation for help with the amendments. In its Second Reading briefing, it pointed out that the requirement in the Child Poverty Act 2010 for the Secretary of State to consult on, review, lay and publish a triennial child poverty strategy is one of the casualties of Clause 6. It therefore called for a new statutory requirement

[Baroness Lister of Burtersett]
for the Secretary of State to develop a regular life-chances strategy. Amendments 31 and 32 are alternative ways of implementing that recommendation. I prefer Amendments 47 and 48 because they are closer to the original and make explicit reference to the effect of socioeconomic disadvantage on children's life chances while decoupling the strategy from the income-related targets—the Minister will be pleased to hear that—which the Government have unfortunately abandoned. They are clearly decoupled.

At present, the Secretary of State for Work and Pensions is required to work with the Department for Education and the Child Poverty Unit to produce a child poverty strategy. The publication of the strategy provided a very useful focus for civil society and academic engagement with the Government in developing their thinking on child poverty. Among the many helpful and illuminating responses to the last document published after a period of consultation were those from the Social Mobility and Child Poverty Commission, the Office of the Children's Commissioner and the JRF. All three were pretty critical, and I cannot help wondering whether the Government are trying to avoid such criticism by repealing the duty to produce any sort of strategy.

The JRF argues that a statutory strategy would help to focus the Government's action on their stated desire to improve the life chances of households and give the Secretary of State the impetus to drive this agenda across government and to challenge other departments to commit resources to this end. I would have thought that would have been quite attractive to the Secretary of State. But the most important reason it gives for writing such a strategy into legislation is that it would increase the opportunity for scrutiny of the Government.

The process of drafting a strategy would require public consultation followed by the publication of a clear plan for the improvement of life chances over a three-year period. This document would therefore be a means by which the Government could be held to account by the electorate, opposition parties and other interested organisations. In case the Minister refers to the reporting duty in Clause 4 and the commitment to report on further non-statutory life chances indicators, I point out that reporting on data does not constitute a strategy. Reporting on data, important as it is, is backward-looking. Publishing a strategy is forward-looking and provides a framework within which and a benchmark against which to assess the data.

5.15 pm

I am pleased to say that a briefing note refers to a life chances strategy, to be published "in due course", whatever that means. Given that, I hope that the Minister might be minded to take these amendments away and consider one or other of them in the interests of accountability and public engagement so as to strengthen such a strategy. Otherwise, I fear that he may be throwing out the baby of accountability with the bath water of targets, to the detriment of good governance and a coherent life chances strategy which, among other things, addresses the root causes of child poverty.

I would prefer it if Clause 5 did not stand part of the Bill. I have not yet heard any convincing justification for removing child poverty from the Social Mobility and Child Poverty Commission's remit. In the event that it survives, which no doubt it will, the purpose of the amendments is to align the commission's remit with the new focus on life chances in the Bill itself. Noble Lords will recall that the commission started life as the Child Poverty Commission. Social mobility was added to its remit in the Welfare Reform Act 2012.

If, as Ministers constantly reassure us, the Government are still genuinely committed to working to eliminate child poverty, can the Minister explain why they no longer want the commission to help them in that task? I understand why the Government want to remove targets and change the measures, even though I think that they are wrong to do so, but I simply do not understand why any Government who are genuinely committed to the elimination of child poverty would in effect say to the commission, "Thank you for all the useful work you've done in analysing child poverty and its causes and in advising on policies to eliminate it, but we're not interested any more, so in future please just focus on social mobility".

When announcing the measure, the Work and Pensions Secretary explained, if that is the right word, that the rebranded commission,

"will ensure independent scrutiny and advocate for increased social mobility",

thereby ensuring that,

"tackling the root causes of child poverty",

becomes "central" to the,

"business of a one nation government".

I am sorry, but that struck me as a piece of sophistry right out of Alice's looking glass world. How do you make child poverty central to the business of government by removing it from the remit of the one body set up to advise government on child poverty? I can only conclude that the Government are more interested in eradicating the language and concept of child poverty than in eradicating child poverty itself. So in the interests of helping the Government keep to their welcome, oft-repeated commitment to the elimination of child poverty, we should oppose the proposition that Clause 5 should stand part of the Bill.

Before turning to the amendments, I will ask the Minister to clarify the future of the Child Poverty Unit. Although the unit is not independent in the way the commission is, it at least ensures a cross-departmental focus on child poverty. Can he give an assurance that the unit will continue once the Bill becomes law and once it has produced the non-statutory indicators to measure progress against the other root causes of child poverty that he mentioned at Second Reading? If there is no independent commission to assess that progress, the unit's work becomes that much more important.

I tabled the amendments partly because I was genuinely puzzled as to why the Government did not use this opportunity to rename the commission the "Life Chances Commission" in line with their emphasis on life chances in the Bill. At Second Reading the Minister underlined that the Government's new approach is the life chances one, focused on transforming lives through tackling the root causes of child poverty, and he referred to the

new statutory measures as key life chances measures. Therefore, would it not make sense to call the commission the "Life Chances Commission" and to amend its remit accordingly? In that way, it could assist the Government in their aim of tackling the root causes of child poverty without having to spell out the CP words in its title, and, as social mobility is related to life chances, it could still report on social mobility.

I welcome the Government's introduction of the concept of life chances because I believe that that is preferable to the narrower meritocratic notion of social mobility. In my previous life as an academic, I sat on the Fabian Commission on Life Chances and Child Poverty, chaired by the noble Lord, Lord Adebowale, who is no longer in his seat. We defined life chances as referring to the likelihood of a child achieving a range of important outcomes which occur at successive stages of the life course, from birth and early childhood to late childhood and adolescence and on into adulthood. We argued that perhaps the most fundamental of all life chances is the chance to live a fulfilling and rewarding life beginning in childhood. As such, children must be given the chance to enjoy a happy, flourishing childhood and to continue to thrive as they grow up. Thus, it is about caring about children as beings as well as "becomings" — both of which can be damaged by child poverty.

Our commission argued that poverty matters because it undermines people's opportunity to flourish and thrive. Growing up in poverty affects children's chances across a whole number of dimensions of life chances that I am sure concern the Government. From this perspective, we rejected the narrower concept of social mobility because, first, it does not embrace the idea of ensuring that everyone has a chance to live a full and flourishing life and, secondly, it ignores what happens to those who are not able, or may not want, to climb the ladder of social mobility. For example, a focus on social mobility ignores how some of society's most important tasks—those involving caring for others—are undervalued and thus, in effect, are carried out at the bottom of the ladder. Do we want to say to children that it is an ignoble ambition to care for others?

I hope that the Minister will agree with what I have said—I do not think that there is anything controversial in what I have said about life chances—and that he might be willing, for once, to take away this amendment and consider it before Report, because I believe that it is helpful to the Government's own cause. I believe that he would find widespread support for such a move, and it would show that the Government are willing to listen. I beg to move.

The Earl of Listowel: My Lords, I rise to speak to my Amendments 32, 33 and 49 in this grouping. Before doing so, I am prompted by what the noble Baroness, Lady Lister, has just said to reflect for a moment on what the Government have done to improve life chances for children—I should like to say something positive before I am critical. The coalition Government reduced the number of children in prison by 2,000—from 3,000 to 1,000—in three years. Of course, once a child is in custody, it is very much more likely that he will return to custody, so I pay tribute to the Government and to the Liberal Democrat party for that contribution to improving children's life chances.

My Amendment 32 would place a duty on the Secretary of State to produce a report on child poverty and life chances, and it would oblige him or her to produce a strategy in those two areas. There is a duty under the Child Poverty Act to produce a strategy of this kind every three years. As we have just heard, there is not one for life chances in the Bill, so this is an opportunity to produce a strategy for both.

I sense that the Government are very resistant to the notion of strategies altogether. I think that, generally, they prefer a bottom-up to a top-down approach, which is positive in many ways. One sees that in so many areas, but there are difficulties with it—for instance, in the education system. Two weeks ago, I visited a remarkable school, the King Solomon Academy, in Marylebone, which has the highest academic attainment in the non-selective state area. It is in a pretty deprived area of London, and it shows how effective academies can be. However, the teachers there complained to me that the Government are not ensuring that sufficient high-quality teachers are being developed to service the school. The Chief Inspector of Schools has recently voiced concerns about the supply of teachers. It is important to choose the right time, but there are times when a strategy is needed, and one might say that teaching is an example.

A housing Bill is shortly to arrive in this House, and it would be very helpful when considering it to have a strategy from the Government on life chances and child poverty—which would of course also refer to homelessness and family accommodation—so we can see whether that Bill is consistent with that strategy. Unfortunately, we do not have such a strategy, so we will be unable to check that Bill against it. I therefore hope that the Minister can give a positive response to this amendment.

The Minister has already responded very helpfully to my Amendment 33, on a target for eradicating child poverty. I think enough has already been said on the notion of targets.

My Amendment 49 would put a duty on local authorities to produce a similar child poverty and life chances strategy. According to a report from the Child Poverty Action Group, where such strategies are well embedded in local authorities, they prove very effective. The Government have a policy of localism: more and more responsibility is being passed to local authorities, and if we are to adopt such an approach, it is very important that local authorities have such a strategy. Funding for local authorities has been cut by some 35% in the past five years, and there will be a similar cut over the next five years. They have all sorts of competing priorities. If they have a strategy in this area, they are more likely to prioritise it. I hope the Minister can give a sympathetic response to these amendments, and I look forward to his reply.

Baroness Grey-Thompson: I shall speak to Amendments 32 and 33, which are in my name. It is essential to have a strategy—if the Government are really serious about changing life chances, it makes no sense to me not to include one. Reporting is useful but we need more than that; it does not move the discussion on. There is much to applaud in the Government's

[Baroness Grey-Thompson]
vision, especially concerning disabled people, but we have an opportunity to create a combined child poverty and life chances strategy.

I do not often look back, but by way of context I refer to my previous career as an athlete. If you are serious about winning, you have a training plan or a strategy to achieve success—you do not just randomly train and hope you will get to the finish line. If we are serious about child poverty, a strategy makes sense. Even if we have to be sensible and re-evaluate the targets to set something realistic and achievable, what I do know is that, without a strategy, we have no chance of eradicating child poverty.

5.30 pm

Baroness Maddock (LD): My Lords, I shall speak to my Amendment 35. Observant noble Lords may have noticed that the last part of the sentence in proposed new Section A1AH(2), "its fuel strategy", should read "its fuel poverty strategy", as in the rest of the amendment.

The purpose of the amendment is to ask the Government to record and report on the effects of the proposed changes in the Bill on their fuel poverty strategy. I am concerned about this on three counts. The first is the effect of cold homes on children, the elderly and the disabled. Many of them will be pushed further into fuel poverty by the changes in the Bill. Secondly, I do not want to see the possible undermining by the changes in the Bill of the fuel poverty strategy agreed by the last Government. My third concern is the effect of the Bill on the already large numbers of people who are in fuel poverty in the area of the country where I live, Berwick-upon-Tweed in north Northumberland.

The effects of cold homes on people are well known. If people cannot afford to pay their fuel bills and their income goes down, more people are going to be in cold homes and more will be in fuel poverty. Of those who are over 60, over 1 million are at present in fuel poverty. We know that poor and cold housing costs the National Health Service nearly £1.5 billion every year. We have levels of excess winter deaths here that are higher than in most of western Europe, particularly the Scandinavian countries where, as we all know, temperatures are very much lower. The inability to keep warm leads to ill health, not just to early death.

I turn to disabled people. As we heard in debates on Monday, disabled people generally require higher levels of warmth than most of us but generally have a lower income to cover the extra costs. That was very well laid out in the discussions we had on Monday evening. There are proposals in the Bill, which we have yet to discuss so I shall not go into them now, to reduce the income of certain disabled people by 30%. If their income is to be reduced by 30%, there are going to be a whole lot more people in the category of fuel poverty.

I turn to children. Cold homes in Great Britain are more likely than not to be damp homes. This leads to very poor health for young children living in them, particularly with instances of asthma and chest infections, and therefore these children will take more time out of school and nursery and will have lower attainments in school and reduced life chances, which is what the Government are concerned about. Someone earlier—I think it was the noble Baroness, Lady Blackstone, who is not in her place now—mentioned the fact that children trying to do homework in the cold is one thing that we know affects their ability to keep up at school.

As was also said earlier, the Government are not very keen on strategies these days. But the second child poverty strategy, covering 2014 to 2017, aimed to improve living standards and prevent poor children from becoming poor adults through raising educational attainment. The Government are still talking about that but—I think this has been well set out in the discussions we have had—this Bill dismantles many elements of that strategy. The Minister has explained a little to us today, but he needs to explain a little more about the mismatch of this policy with other policies.

The statistics on the effects of cold homes are very stark. The risk of experiencing severe ill health and disability during childhood and early adulthood is increased by 25% if an individual lives in poor and cold housing. Children living in inadequately heated houses are more than twice as likely to suffer from conditions such as asthma and bronchitis as those living in warmer homes, and 40% of vulnerable households are faced with the stark choice of heating or eating. This has been looked at and we know that 20% of parents in that situation will often go without food so that their children can eat.

Cold homes are currently a bigger killer across the United Kingdom than road accidents, alcohol or drug abuse. For the statistics that I have laid out this afternoon I am grateful to Age UK; National Energy Action's fuel poverty strategy, of which I am vice-president; Friends of the Earth; and the Association for the Conservation of Energy.

During the last Parliament, I and many others worked very hard to persuade the Government to adopt a fuel poverty strategy. I do not want to see that work undone. Currently, there are 13 million low-income individuals who, after housing costs, have incomes well below £16,000 a year. Just under half of them are in employment but are still struggling to meet living costs, including utility bills. We have heard more about that this afternoon. We know that increasing household incomes is an essential part—it is not the only part—of tackling fuel poverty. So what figures do the Government have about how the changes in this Bill will affect low-income households that are at present in fuel poverty?

I live in Berwick-upon-Tweed. Every week, when I come down to London, I find that it is at least 5 degrees centigrade warmer. Therefore, it is not surprising that the area I live in has high figures of fuel poverty. In Berwick itself, we have 1,800 households in fuel poverty, which is 15% of our population. In the whole constituency of Berwick-upon-Tweed, there are nearly 4,500 people in fuel poverty, which is 13%. Across Northumberland, there are 16,000 people in fuel poverty. To add to that, we have some of the lowest levels of take-up of further and higher education in the country. We are also an area of low wages and low skills. No one from our local high school has gone to Oxford or Cambridge for over 10 years, unless their parents paid for them to travel 67 miles to further education colleges and

sixth forms in Newcastle. I believe that the changes in this Bill may work against the already poor life chances of many young people in Berwick-upon-Tweed and north Northumberland.

I hope that the Minister will be able to tell me whether the issues that I have raised were taken into account when drawing up the Bill. He mentioned life chances earlier and outlined some of the Government's thinking, but I hope he can assure me that they will look a bit harder at this. Whatever his answer is, it is clear—and has been made clear in the discussions we have had this afternoon—that this amendment merits serious consideration by the Minister today.

The Lord Bishop of Durham: My Lords, I rise to speak first to Amendment 31. Given the serious enthusiasm that the Government have for introducing "life chances" as a title and theme, it would make complete sense for the Government to want to report on improvement in children's life chances in the future. So I commend this as being entirely in line with the purpose of the whole Bill—it would make sense to report.

I will speak now to Amendments 36 to 40 and 42 to 45, and I would like to keep us in the north-east of England. Yesterday, it was my privilege to open the new building for Holy Trinity primary school in Seaton Carew in Hartlepool, and to then go to Prior's Mill primary school in Billingham, both of which are Church of England schools. I add that I have visited the school in Berwick that the noble Baroness mentioned and can confirm what she said; it is a very fine school but it has not produced people for higher education in the way that it should.

The proposal to change from a "Social Mobility Commission" to a "Life Chances Commission" gives us a very rare opportunity to change the title of a government commission so that it is understood by the very children whom it seeks to serve. Most of our departments and so on do not resonate with the life, language and conversations of children themselves. However, in both the schools I visited yesterday, I found myself talking with those children about their hopes and their dreams and their fears, but they were longing to talk about the chances and hopes that they had in life. Those were not purely about money: they were about work and home and family and so forth. Not once did I hear any of them talk about social mobility possibilities.

In all seriousness, I say that it would be a much more sensible heading and title for the commission and it would fit much more accurately with the aims and purposes that the Government have stated for life chances, so I would seize this with every opportunity. It would please the children of the nation if they understood what the commission was about.

Lord McKenzie of Luton: My Lords, I shall be brief because I know that we want to make progress today. I support wholeheartedly my noble friend Lady Lister, with her brilliant exposition as to why we should substitute "life chances" for "social mobility". I join her in opposing the proposition that Clause 5 stand part of the Bill. We have a very specific amendment in this group, Amendment 41, which is merely to delete the words, "on request", so that the commission, whatever its final title and remit, can be proactive in offering advice to the Minister. That obviously carries the implication that the commission must be appropriately resourced. Perhaps the Minister will tell us what is intended in this regard. I hesitated to raise that issue, because I feared that the Minister was going to tell me that we put it there when we were in government, but I hope that he will not. Even if we did, it seems to be entirely reasonable that it should now be expunged from the provision.

I also support those who argue that there should be proper strategies, so that you do not just have odd reporting obligations: there must be an intent to come forward with a strategy focused on life chances and on fuel poverty. As the noble Baroness, Lady Grey-Thompson, said, if we do not have a strategy, where is all this reporting going to lead? Given the hour, I think I will leave it there.

Lord Freud: I hope that what I have to say on this group of amendments will be a little more pleasing, although I do not think it will please everyone on everything. I will divide my remarks into two areas: the first on strategy and targets, and the second on the commission. It is a wide group of amendments, and that is the way they break down.

Starting with Amendment 33, I think that noble Lords who put that forward would accept that we have dealt with that pretty thoroughly when we considered Amendment 25, so I shall not reiterate all of my arguments on that matter. Noble Lords have heard my concerns about the implications of legal targets when the financial figures are so difficult to forecast.

Amendment 31 sets out exactly what information should be in the Secretary of State's report. I think that I am going to please the noble Baroness, Lady Lister, when I explain where we are. We will publish a strategy on life chances, so that is the noble Baroness's strategy. We will then publish an annual statutory report on the new measures: I think that is effectively what the noble Baroness is driving at. The Government have produced major new strategies, and I think that noble Lords all around the Chamber will accept that we have tried to transform all the structures of the benefits system and the support we provide for people in a coherent way.

5.45 pm

We are looking at really complicated situations, so just putting in place a statutory obligation on income measures is not the point. In making these changes we are trying to transform society, and that does not work through a kind of tick-box "do this, do that" strategy. That is just not how the world works. I see the noble Baroness, Lady Hollis, shaking her head in a mixture of disagreement and puzzlement, but it really is not how the world works. These things are very difficult to work through. Something that is good about our approach is that under this plan, as we spell out these life chances strategies, we will be looking at them every year.

[LORD FREUD]

It is a truism that what gets measured is what gets done. The publication of the data showing our progress will be a powerful driver of action. That publication will be transparent and will look at all the root causes, some of which I have outlined; noble Lords may add some others. They include addiction, problem debt and family instability. The approach will enable anyone to hold us to account for the actions we have taken and the progress we have made. It will also enable those who have been involved in the debate to propose other actions if they wish, and I can assure noble Lords that we have had no shortage of advice from interested parties on how to tackle these issues and problems. The clear prioritisation of areas for action—namely, our focus on work and education, and annual reporting of progress on transparent measures—are powerful instruments of change. We have set this approach out in primary legislation to best support improvement in the life chances of our children. The Government do not put statutory measures of this sort in place lightly.

I turn now to Amendment 32, which was spoken to by the noble Earl, Lord Listowel, and the noble Baroness, Lady Grey-Thompson. It requires the Secretary of State to,

"lay before Parliament a report setting out",

the action to be taken on behalf of particular groups of children. I have already stated that the Government agree that particular attention needs to be paid to these groups, which include children in care, care leavers, children in homeless families, children at risk of homelessness and children in families suffering from problem debt. I reiterate our commitment, but the key point is that we are already reporting on the progress of these groups in the ways I described when responding to Amendments 28 to 30. In combination, our new life chances measures and the existing reporting mechanisms will drive efforts to tackle worklessness and poor educational attainment for all children.

In Amendment 35, the noble Baroness, Lady Maddock, is seeking to widen the annual reporting duty so that it includes a requirement to provide information about how this legislation might impact on the number of children living in fuel poverty and on the life chances of those children, as well as to report annually on the impact of the legislation on the Government's fuel strategy. We all agree that poverty is a complex issue and the dynamics affecting it are driven by a range of interconnected factors. Fuel poverty is something that the Government recognise already and take extremely seriously.

I think we would all agree with the noble Baroness that living in cold homes can have a negative impact on children. The Government have a strong record of providing information in this area. Statistics on the number of households with children living in fuel poverty in England are published annually by the Department of Energy and Climate Change, and are also included in the Government's fuel poverty strategy as one of the headline fuel poverty indicators. The Government have committed to reviewing and updating this strategy regularly. The requirements that the noble Baroness has in this amendment are already in place in other parts of the Government's legislation.

Baroness Maddock: I thank the Minister for reiterating that. I raised this at Second Reading and if he had answered my points then, I might not have needed to table the amendment today to make sure that this was taken into consideration.

Lord Freud: I apologise to the noble Baroness for not dealing with the matter earlier, and I am pleased with the outcome.

Amendments 47 and 48, tabled by the noble Baroness, Lady Lister, would prevent the repeal of the duty to publish and lay a triennial UK strategy. In practice, I dealt with that when I was describing in an earlier amendment what our approach would be. Amendment 49, tabled by the noble Earl, Lord Listowel, would place a statutory duty on local authorities in England to,

"prepare a joint child poverty and life chances strategy".

While commending the noble Earl for his focus in this area, the Government do not believe that burdening local authorities with a one-size-fits-all strategy requirement would help to transform children's lives on the ground. Local authorities will have the freedom to determine the approach they want to take in their area, building on the partnerships already in place. The Government will look to local authorities to use this freedom to take effective action to tackle the root causes of child poverty and improve children's life chances. We will continue to support local authorities in tackling child poverty and improving life chances in their areas by providing data to inform them of their progress and where best they can focus their resources. This includes publishing local level life-chances data on children and workless households and educational attainment for all children, particularly disadvantaged children.

Local authorities can make decisions at the local level to ensure that actions are complementary and fit with local timetables and circumstances to deliver maximum effect. That is something that the centre cannot do. When looking at low-income measures in relation to local authorities, their unpredictability, which as I said is so difficult for central government, has the same volatility for local government, making it spend money on action that does not produce the best outcomes.

Clause 5 will reform the Social Mobility and Child Poverty Commission to become the Social Mobility Commission. Some noble Lords have indicated that they do not want Clause 5 to stand part of the Bill. The Government want to galvanise action on social mobility which calls for concerted effort by the Government, business and the third sector, operating alongside our focus on improving children's life chances. The Government's reforms to the commission will add impetus to its efforts to promote and improve social mobility and strengthen and expand its remit in this important area. The reformed commission will perform a key role in ensuring independent scrutiny of progress to improve social mobility in the UK. It will promote social mobility in England and, on request, provide advice to Ministers—I am not quite sure whether I can blame the noble Lord, Lord McKenzie, for this, but I am checking—on how to provide social mobility in England. The commission will be an integral part of

the Government's drive to promote opportunity and remove barriers to progress towards a society where everyone is able to play their full part and realise their potential regardless of their background.

The reformed commission will no longer be tasked with tracking progress against the current set of income-based measures, and will instead be able to focus single mindedly on the crucial role of improving social mobility. The commission will build on its history of insightful work and continue to publish robust evidence-rich publications not only for the Government but for employers, schools, parliamentarians, parents, families and citizens of this country. Its publications have been instrumental in moving forward the debate on social mobility in this country, and I look forward to it continuing to do so. I particularly want to thank the commissioners who have volunteered their time freely to carry out this vital role, and the leadership of the commission's chair, the right honourable Alan Milburn and its deputy chair, the noble Baroness, Lady Shephard of Northwold.

Amendments 36 to 45 seek to rename the commission as the life-chances commission rather than the Social Mobility Commission. They would also amend the duties placed on the commission, including placing a statutory duty on it to provide advice to Ministers on social mobility in England, whether or not at Ministers' requests. I shall turn to Amendments 36 to 40 and 42 to 45 tabled by the noble Baroness, Lady Lister and the noble Lord, Lord Kirkwood, which would rename the commission and amend the duties placed on it to promote and improve life chances instead of social mobility.

I have already set out the importance that the Government place on social mobility and the commission's role in its scrutiny and advancement. It is the Government's view that the reformed commission should have the single-minded focus on social mobility. Our proposals will strengthen and expand its remit on this important issue. The commission's independent scrutiny of social mobility will help to build a society where someone's starting point does not determine their end point. Our proposals will give the commission a clear remit and focus that will enable it to fulfil these new duties effectively.

Alongside the commission's scrutiny role, our new statutory measures on worklessness and educational attainment will bring greater transparency to the Government's actions to improve children's life chances. As I have explained, we will have an annual report on progress in that area, which will allow anyone to scrutinise and hold the Government to account.

Amendment 41 tabled by the noble Baroness, Lady Sherlock, and the noble Lord, Lord McKenzie, would require the Social Mobility Commission to give advice to a Minister of the Crown about how to improve social mobility in England rather than to do so on request. The commission already has a statutory duty to publish a report setting out its views on the progress made towards improving social mobility in the UK. It is implicit that such reports can provide and offer advice about areas for future action as well as assessing past progress. That is certainly the way in which the commission has interpreted its remit in the past. It is not appropriate for the Government to start dictating to the commission as an independent body how it should discharge its functions in future.

Every year the commission undertakes a number of research projects, publishing reports and recommendations and developing the evidence, based on a range of subjects relating to social mobility. Through these research projects and its annual report, the commission provides a wide range of evidence-based analysis, all of which is published and available for anyone to see which can speak powerfully to government and other players.

The provision for the commission to provide advice to a Minister of the Crown on request serves an important purpose. It enables the Government to draw on the commission's expertise in areas that particularly matter to it beyond those already covered in the commission's reports, and it is important that we do not lose this provision. Noble Lords should note that the current provisions relating to the commission are amended as a result of repeals set out in Clause 6 and amendments to its name and functions set out in Clause 5. Should Clause 5 not stand part of the Bill —some have indicated that they intend to vote against it—the commission would cease to exist entirely. I look forward to working with the reformed commission in the coming years to make further progress in transforming social mobility.

Baroness Lister of Burtersett: I asked a specific question about the future of the Child Poverty Unit. Would the Minister answer that before I wind up?

Lord Freud: We will ensure that there is a full range of Civil Service support to drive forward the agenda. We will set out arrangements for the Child Poverty Unit in due course. With that, I urge the noble Baroness to withdraw her amendment, and other noble Lords not to press theirs.

6 pm

Baroness Lister of Burtersett: My Lords, I am grateful to all noble Lords who have spoken, particularly the right reverend Prelate, whose argument was far better than mine on life chances. What better argument is there than using terms that children themselves can understand? Starting at the end, I am desperately disappointed by the Minister's response. He simply has not addressed the arguments as to why "life chances" would be a better title for the commission than "social mobility". I am very disappointed by that. I thought he might be able to go away and say, "Yes, perhaps there's something to be said for that". Instead, he has said that they will expand the remit of the commission, but he is actually narrowing it. Which is it: expansion or narrowing? It is not at all clear. Why drive on social mobility rather than on life chances, which still allows you to talk about social mobility but has the advantages that I set out and as the right reverend Prelate did in his killer argument—if he does not mind me calling it that? We have had no answer to those. As I say, I am desperately disappointed.

The Minister kindly said that he thought he would please me with his response on strategy. I appreciate that, but I am afraid I am not that easily pleased.

[Baroness Lister of Burtersett]

Again, there is that key word, "statutory". On the previous group of amendments my noble friend Lady Blackstone explained why that word is important: Governments and Ministers change. Given that the intention is to produce a life chances strategy, why not make it statutory? There is no argument about targets. We are agreed on it. Again, I am rather disappointed that the Minister has been unable to say that the Government will think about it and that it would perhaps be good to have a statutory duty. I am talking not about tick-boxes or anything like that, but about the kind of strategy that he is talking about.

Again, we may have to come back to these questions on Report because we have not heard convincing arguments in response to a very strong set of arguments from a number of noble Lords. Having said that, I of course beg leave to withdraw the amendment.

Amendment 31 withdrawn.

Amendments 32 to 35 not moved.

Clause 4 agreed.

Clause 5: Social Mobility Commission

Amendments 36 to 45 not moved.

Clause 5 agreed.

Clause 6: Other amendments to Child Poverty Act 2010

Amendments 46 to 48 not moved.

Clause 6 agreed.

Amendment 49 not moved.

Clause 13: Employment and support allowance: work-related activity component

Amendment 50

Moved by ***Lord Patel***

50: Clause 13, page 14, line 24, at end insert—

"( ) Subsections (2) and (3) shall not come into force until the Secretary of State has laid before both Houses of Parliament a report giving his or her estimate of the impact of the provisions in those subsections on the—

(a) physical and mental health,

(b) financial situation, and

(c) ability to return to work,

of persons who would otherwise be entitled to start claiming the work-related activity component of employment and support allowance.

( ) Regulations bringing subsections (2) and (3) into force shall not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament."

Lord Patel (CB): My Lords, my turn has come—rather sooner than I thought it would. In moving Amendment 50, I will speak to Amendment 53 in my name. I am very grateful to all the noble Lords who have put their names down supporting my amendments.

These amendments would prevent Clauses 13 and 14 coming into place unless the Government can demonstrate to Parliament's satisfaction that they will achieve what they state—namely, supporting people into work—without having a detrimental impact on people's financial situation or health. At Second Reading I raised significant concerns about the proposals that I know were shared by many in this House and by Members in the other place, too, including Members in the Minister's own party. They tabled amendments that were not moved.

What do I see as the problem? Many organisations, including Macmillan Cancer Support, Rethink Mental Illness and Parkinson's UK, oppose these clauses because of the detrimental impact the changes will have on people who are ill or debilitated by their condition. The changes will mean that from 2017 new claimants will receive the same amount as those on jobseeker's allowance, meaning they will be £30 a week worse off than under the current system. Those claimants, such as people recovering from cancer, will no longer be entitled to additional financial support in recognition of their illness or disability.

In his response at Second Reading, the Minister pointed out that many people with cancer are, at least initially, placed in the support group and suggested that they will not be affected. I agree; those in the support group will not be affected. However, my concern is not that people will not be supported while they undergo treatment for illness. My concern is for those people who either have moved into the WRAG from the support group once their treatment has finished or do not meet the stricter criteria of the support group and are placed straight into the WRAG. The suggestion that the number of such people is small is not true; the Government's own estimates suggest that it could be above 5,000. Given the transient nature of the benefit, with people moving in and out of the WRAG, the number of people who will be affected is likely to be much higher. My amendments seek more accurate figures as part of the evidence.

What is also not clear, and which is particularly important for people with cancer, is whether those who are in the support group before April 2017 but then move into the WRAG after April 2017 would be classified as new claimants or whether they would be subject to the cut and be put on to the lower rate of £73.10. I hope the Minister will be able to clarify that. I am sure that he will.

The impact of having cancer does not necessarily end once someone finishes treatment and recovers from its immediate side-effects. Common consequences of treatment include: chronic fatigue; extreme pain; mental health problems, including moderate to severe anxiety or depression and post-traumatic stress disorder; urinary and gastrointestinal problems; speech difficulties; and much more. Many of these problems may emerge some time after treatment and last for months or years. I give the true example of Jim, who was successfully treated for prostate cancer. He said, "I suffer lots of problems with my bladder and colon. Being caught short is a constant worry so I have to live my life aware of this constantly".

It cannot be right to suggest that people like Jim should be treated in the same way as jobseekers who

are fit and able to work. If the proposals go ahead, people such as those with cancer who may initially go into the support group, but then move into the WRAG when their treatment finishes, will drop from £109 to £73.10 when they move from one group to the other. For many, this is a huge drop, leaving them in a particularly vulnerable situation, and could compromise the progress of their recovery. I urge the Minister to look carefully at this group of people and the impact that the change will have on them before making any changes to the legislation.

Ahead of the election, the Government made a very welcome commitment that their welfare reform programme would be underpinned by a commitment to protect the most vulnerable and the disabled. People recovering from cancers are vulnerable. Some face side-effects, live with the knowledge that their cancer may return and are in need of support. They are not fit to work. The reason that people receive ESA WRAG or the limited capability for work element of universal credit is because they have been judged as having limited capability to work—in other words, they are too ill to work. Cutting someone's money will do nothing to address this. It will not improve their health. Indeed, if anything, it is likely to make it worse by causing additional stress and anxiety, with added worries about making ends meet financially.

The Minister made a particular effort at Second Reading to highlight the fact that having limited capability to work is not the same as being unable to work. It is my understanding that someone is placed in the WRAG because their capability for work is deemed to be so limited that they cannot reasonably be expected to look for, or engage in, work. That is why they have been deemed eligible for ESA rather than JSA. People on ESA WRAG are simply too ill to work at this point in time. These people need time to recover and a degree of financial support to help their recovery. Cutting people's benefit levels will not help to support them back to work.

At Second Reading, the Minister referred to an OECD report as evidence for the change. The report stated:

> "Financial incentives to work can be improved by either cutting welfare benefit levels, or introducing in-work benefits while leaving benefit levels unchanged".

However, the report to which the Minister referred looked only at unemployed and inactive individuals, not people who are unable to work due to illness. Indeed, if you were to look at the research on people who have limited capability for work due to illness—as people in the WRAG do—the evidence is very different. For example, a study by researchers at Sheffield Hallam University in 2011 found that cutting benefit levels for those who are unable to work due to illness, or recovering from illness, does not result in more people returning to work. Many people with illnesses and disabilities are significantly worse off as a result. Research by Macmillan, for example, found that people with cancer were, on average, £570 a month worse off because of the financial impact of their diagnosis. Many cancer sufferers struggle to cope financially. There has been recent media coverage of Macmillan research which showed that almost 170,000 people with cancer in the UK cannot celebrate events such as Christmas or a family birthday due to lack of money.

It should be a key principle of the welfare system that those who have worked hard but who find themselves, through no fault of their own, unwell and unable to work for a period—not permanently—will be provided with an adequate safety net. We should not do anything to undermine that principle. It is important to have an assessment of the impact that the changes will have on people's financial situation and their physical and mental health. Financial pressure will force people to return to work before they are physically and mentally fit enough. I have heard of people affected by cancer who, even on the current amount of money that the WRAG pays, have felt pressured to return to work before they were well enough. This has led to them returning to work too soon, and their health suffering as a result, to the extent that they now need to be in the support group. If this is happening on the current payment rate of £102, I can only imagine what will happen when the payment drops to £73.

Much has been said about the role that work can play in keeping people healthy. I do not doubt for one minute that that is the case. For many people who have been ill, returning to work represents a return to normality and a sign that they are reclaiming their life. Many people talk about the importance of becoming an employee again and being defined by their work status, not their cancer. However—and this is important—that only holds true if the work they return to is right and appropriate for them. It has to be "good work" for them, by which we mean work that is suitable, appropriate and meets the needs of people returning from illness.

Amendments similar to mine were tabled by Conservative Members in the other place and sought to highlight the significant impact that the changes will have. The proposed changes are neither sensible nor morally right. While my amendments seek the evidence to support Clauses 13 and 14, the important point is that people who are recovering from serious illnesses and are not considered fit to work should not be further financially penalised. There is an opportunity here for the Government to demonstrate their commitment to the vulnerable and disabled by rethinking the proposed changes.

As I said at Second Reading, when, in 2012, the Government lost several consecutive votes, the then Bill was converted into a financial privilege measure. I hope that that will not occur now but in 2012, despite the fact that the Bill was converted into a financial privilege measure, the Minister—the noble Lord, Lord Freud—came up trumps and agreed to put people who are vulnerable into the support group. I hope he is minded to do the same this time—that is, help those who are vulnerable and ill. I am sure he will do that and demonstrate that the Government support the vulnerable. I beg to move.

6.15 pm

Lord McKenzie of Luton: My Lords, this is an extremely important group of amendments. On behalf of the Labour Benches, my noble friend Lady Sherlock and I will oppose Clauses 13 and 14 standing part of the Bill and will support Amendments 50 and 53, in the name of the noble Lord, Lord Patel. We support the thrust of Amendment 52 in the names of my noble

[LORD MCKENZIE OF LUTON]
friend Lord Layard and the noble Baronesses, Lady Hollins and Lady Tyler, which concerns access to psychological therapies. I acknowledge the campaigning work conducted by my noble friend when we were in government and the fact that he managed to move the issue of psychological therapies up the political agenda. More than that, he was significantly responsible for people getting treated.

As we have heard, Amendments 50 and 53 defer the changes to ESA coming into force until their impact on individuals' physical and mental health, their financial situation and their ability to work has been estimated. All these matters have, in one way or another, been the subject of real concern since the substance of this policy—a £30 a week docking of the WRAG rate—became apparent. The noble Lord, Lord Patel, explained that he was particularly focused on people moving from the support group to the WRAG who were recovering from cancer. In so far as the Government's impact assessment seeks to address these matters, it seems to conclude that it is doing claimants a favour by removing the WRAG rate and its equivalent in universal credit because this will encourage them to take steps back to work, with a consequent improvement in their health and the life chances of their children.

We should be ashamed, if not surprised, that a priority for our Government is to reduce the income of disabled people—individuals who have been assessed as not currently fit for work—from the current rate of £102 a week to just £73 a week, and to pray in aid a 10 year-old OECD report which, by all accounts, does not make a single reference to disabled people. We should also be concerned about the attempt to incentivise and coerce people into work when they have been found by a rigorous assessment not to be fit for work. There is either a lack of understanding of, or a callous disregard for, the financial circumstances that many in the WRAG face today, let alone in the future—circumstances that mean they struggle to pay their bills and maintain their health, rather than not drift into social isolation and focus on activity that will move them closer to work.

Of course, this is not a small group. There are nearly 500,000 disabled people within the ESA WRAG, almost half of them with a mental and behavioural disorder, including learning disabilities and autism. These are individuals who will need time and proper support to make it back to the labour market. Far from help with their struggles, the ESA cut will add to debt, stress and anxiety, making their journey more difficult, if not impossible, and pushing them into further poverty.

Most noble Lords here today will have received a raft of substantial and authoritative briefings from charities and other organisations whose opposition to this particular cut is remarkably consistent. We should thank them for their defence of disabled people, particularly their robust challenge to the proposition that cutting the WRAG is a work incentive. We also now have the benefit of the formal review of the proposed reduction in the employment and support allowance and how it will assist the Government's declared aim of halving the disability employment gap.

The report was led by the noble Lord, Lord Low, and the noble Baronesses, Lady Meacher and Lady Grey-Thompson, at the request of a group of charities. We should acknowledge their commitment and the clarity of their conclusions and recommendations. I hope we will hear from them and have the benefit of their expertise during this debate. One of their central recommendations was to reverse the removal of the ESA WRAG component and the equivalent payment in universal credit. This is precisely what our amendments will do. But the review is not just about objecting to the change that the Government are seeking to impose. It sets out a series of recommendations focused on helping the Government to help more disabled people move closer to and into work. Perhaps a recast amendment on Report might better capture this broader approach.

I will not attempt to outline each of the 11 recommendations of the review in the hope that others will cover some of them but of particular significance is the call to redesign the WCA, focusing on a holistic approach which understands the barriers to work that people face, and ensuring that this information is used to provide appropriate support. Not only did the review find no evidence that the £30 a week WRAG component is acting as a disincentive to work, or that reducing the payment will incentivise people to seek work, it received evidence to the contrary—that the reduction would hinder rather than help people take steps towards work.

The extra money individuals in the WRAG receive is to recognise that they are likely to be unemployed for a longer period than those receiving JSA, and that once out of the workplace disabled people find it more difficult to return. The typical time for which claimants were expected to be in the WRAG was two years; for those on JSA it was much less. This loss of resources is being imposed on a range of other measures that can affect disabled people—council tax support cuts, the bedroom tax, the benefit cap for those not on DLA/PIP—and benefit freezes are in place. The review reminds us why this extra income is so important to disabled people and why the threat of its loss—as well as the reality, should it come about—is so hazardous to their health and well-being.

Your Lordships should read the report and understand the strains of daily living for so many of our fellow citizens—individuals who would welcome the chance of moving towards and into work if we would only invest in tailored and personalised programmes to make this a reality for them. I urge the Government to reject these misguided cuts, listen to the views of those whose lives would be made a misery if they proceed, and instead grasp the opportunities that could genuinely transform the lives of so many disabled people.

Baroness Manzoor: My Lords, we on these Benches strongly oppose the question that Clauses 13 and 14 stand part of the Bill, along with the opposition party. At Second Reading, I made it clear that these were the clauses that the Lib Dems were most concerned about—in a Bill which had little to be joyous about.

Clause 13 legislates to reduce the amount of money that new claimants receive within the employment and support allowance work-related activity group—known

as ESA WRAG—by £29.05 per week or nearly £1,500 a year. This cut is mirrored in Clause 14 for the equivalent payment in the new universal credit, called the limited capability for work group. As the Disability Benefits Consortium says, this is despite the fact that the WRAG is specifically there to provide support for disabled people who are assessed as being not fit for work, as the noble Lord, Lord Patel, stressed.

In his summer Budget, in order to make savings on welfare expenditure, the Chancellor announced that he would reduce the level of benefit paid to claimants in ESA WRAG to the value of jobseeker's allowance—JSA. How can that be right? These are people who have been deemed to be ill. This is despite the fact that, as the noble Lord, Lord Patel, and others have said, the people receiving ESA WRAG and the limited capability for work element of universal credit have been independently medically assessed by government assessors as being too ill to work—not by their own GPs but by independent assessors, and that is really key. These are people with disabilities—nearly 500,000 people; people with long-term health conditions such as mental health and behavioural disorders—nearly 250,000 people; and people with cancer or progressive motor neurone illnesses such as MS and Parkinson's disease.

I entirely agree with Macmillan Cancer Support, the Disability Benefits Consortium, Mind, Mencap, Leonard Cheshire Disability, Scope, the Rowntree Foundation and many others—they cannot all be wrong—that reducing the amount of money received by individuals on ESA WRAG and the limited capability for work element of universal credit will make it harder for individuals to cope with the financial impact of their condition and to afford what they need to support their recovery. The additional pressure to seek work when not fit could detrimentally impact on an individual's health and recovery. I have seen this, having worked in the NHS for many years. This could actually move them further from the labour market. That is not what the Government want to do. The negative impact of returning to work before individuals are fit to work compromises them and is unsustainable, and may lead individuals to require welfare support for longer or indeed move them into the support group, where they do not work again. That cannot be right.

The Government's impact assessment states:

"Someone moving into work could, by working around 4-5 hours a week at National Living Wage, recoup the notional loss of the Work-Related Activity component or Limited Capability for Work element".

Frankly, that is unbelievable, as people in this group have been found not fit for work. That is the hub of the whole issue. Clauses 13 and 14 have no place in a caring and compassionate society and I urge that they be removed from the Bill. It is far better that the Work Programme trains advisers better to understand conditions so that the most appropriate support and help can be given to individuals to return to work. Barriers to employment such as lack of job opportunities, attitudes and transport difficulties must also be addressed by the Government, and employers should be given the necessary training and support to enable them to take on more disabled people so that people can return to work when they are deemed fit to do so.

I urge the Minister to exempt people on the ESA WRAG and that Clauses 13 and 14 do not stand part of the Bill. The Government must give people hope and support. I fear that these measures are merely about the Treasury wanting to demonstrate that it can achieve a budget surplus—how wrong is that?—without, I fear, the Treasury thinking about real people and real lives, and the impact it will have on those people. This is not about figures on a balance sheet but people who will find the impact of these clauses deeply damaging, as they will affect their life chances. This is not just about the young. I agree with the noble Lord, Lord Patel, that these clauses are not sensible or morally right.

6.30 pm

Lord Low of Dalston (CB): My Lords, I gave notice that I wish to oppose Clause 13 standing part of the Bill and I now wish to do that in support of the noble Lord, Lord McKenzie, and the noble Baroness, Lady Manzoor. Clause 13 would cut ESA by just under £30 a week, or £1,500 a year, for new claimants in the WRAG group from 2017. The Government's reasoning is that the £30 a week uplift from the JSA level constitutes a disincentive for those in the WRAG group to seek work and that cutting this premium would remove that disincentive.

As I hope many noble Lords will by now know, with my noble friends Lady Meacher and Lady Grey-Thompson I have just carried out a review of this policy approach and its impact on the Government's objective of halving the disability employment gap. The review was published yesterday; copies have been distributed and I hope that many noble Lords will have had a chance to look at it. I place on record my thanks to the disability charities which supported the review, including Leonard Cheshire Disability, Mind, the Multiple Sclerosis Society, the National Autistic Society, the Royal Mencap Society, Scope and RNIB, of which I am a vice-president and I declare my interest. I also thank the 30 or so organisations which responded to our call for evidence and the nearly 200 disabled people who gave us eloquent and often very personal accounts of their lives and aspirations, and the hardships that they face.

Our review found no evidence to support the Government's approach. The Government's impact assessment contains no detail on how disabled people might be affected and seems to be concerned only with savings to the Government, which would amount to £640 million by the end of the Parliament—not a massive amount as these things go. The Government rely principally, as the noble Lord, Lord McKenzie, said, on a 2005 OECD study which deals only with unemployment generally and not the unemployment of disabled people at all, which is generally reckoned to be very different, as evidenced by the intractability of the disability employment gap. Officials have referred us to a 2010 study by Barr and others in the *Journal of Epidemiology & Community Health*, which suggests that there is a significant negative association between benefit levels and employment. But the authors commented that:

"While there was some evidence indicating that benefit level was negatively associated with employment, there was insufficient evidence of a high enough quality to determine the extent of that

[LORD LOW OF DALSTON]

effect. Policy makers and researchers need to address the lack of a robust empirical basis for assessing the employment impact of",

the 2010 welfare reforms.

The central recommendation of our review is therefore that the proposal to reduce payment to claimants in the WRAG group to JSA level should be put on hold in order to carry out a thorough assessment of ESA and the impact that any reductions might have, not only on disabled people, their families and carers but on other services that might be affected, such as social care and the National Health Service, as well as knock-on effects on other benefits. As we conducted our review, I was hugely impressed by the wealth of expertise possessed by the organisations which came and gave evidence to us. If the Minister were to establish a working group to tap into this expertise, I am sure that these organisations would be only too happy to help him get this matter right.

ESA is an income replacement benefit for those assessed as not fit for work. It is important to stress this point, as the noble Baroness, Lady Manzoor, has done. They are assessed as not fit for work; they may have been assessed as capable of undertaking activities potentially leading to work but the essential point to grasp is that they are in the WRAG group because they are not currently fit for work. Moreover, the extra £30 a week is there in recognition of the fact that it takes much longer and costs more for disabled people to take steps towards work, during which time savings run down. It is important to remember that this is a group in which many are already in or close to poverty.

According to the Office for National Statistics, 31% of disabled working-age adults live in poverty compared with 20% of non-disabled adults. Currently, roughly 60% of people spend approximately two years in the WRAG group. This may be even higher for some groups. For example, blind and partially sighted people are five times more likely than the general population to have had no paid work for five years. This compares with 60% of people spending roughly six months on JSA. As I have said, the extra payment is there to reflect that but also to recognise the additional costs that disabled people face when looking for work or undertaking work-related activities. Respondents told us about increased travel costs, as well as the cost of assistive technology. Of course, DLA and the personal independence payment are designed to cover additional costs associated with disability. However, respondents reported that DLA and PIP are not enough to cover all their costs—it is only a contribution to them—and we know that only around 50% of individuals in the WRAG group also receive DLA or PIP in any case. Individuals would really struggle to cover those additional costs if the ESA WRAG component is removed.

Our review took place in the context of the Government's welcome aim to halve the disability employment gap. It concluded, however, that the proposed cut to ESA would hinder rather than promote this aim. One respondent said that they would need to cancel their phone and broadband contracts, with the result that,

"I would not be able to make calls regarding workplace volunteering that I want to do",

in order to help them get back to work,

"or make job applications when I am ready. I would also no longer be able to afford smart clothes which you need for work".

An important contribution came from the Disability Benefits Consortium, which surveyed 500 disabled people in the ESA WRAG group. Almost half of these—49%—said that such a cut would mean that they were not able to return to work so quickly. The disability employment gap is a long-standing structural one, exacerbated by failed back-to-work schemes—the Work Programme in particular—as well as societal and employer attitudes. It is not generous benefits that are holding people back.

Our review identified a very close connection between the proposed cuts and people's mental health, which, in addition to the human cost, would lead to people being pushed further from the labour market. As one respondent commented:

"Losing this money would make me more worried and stressed which would impact my mental health considerably turning the whole thing into a vicious circle".

The noble Lord, Lord Patel, stressed this point very eloquently. It is important because the current ESA WRAG group consists of close to quarter of a million people with mental health problems as well as learning disabilities.

In summary, our review concludes that there is no evidence to suggest that disabled people can be incentivised into work by cutting their benefits. Instead, the Government should look to improving support by making it more tailored to people's individual needs as well as working with employers to tackle attitudinal barriers. If the Government could only do this effectively, and halve the disability employment gap, that would really make dramatic inroads into the size of the ESA bill.

Baroness Meacher (CB): My Lords, I rise to support Amendment 50, moved by my noble friend Lord Patel. I also support the call of the noble Lord, Lord McKenzie, for Clause 13 not to stand part of the Bill. I put on record my thanks to the charities that worked tirelessly to produce what I think was an excellent report for the review, and in particular Rob Holland of Mencap. I also express my gratitude to the hundreds of disabled people who took time to share with us their stories, experiences and concerns. I thank the Minister for a very helpful meeting yesterday focusing on our review.

We need to be conscious of the fact that the cut in the income of WRAG claimants is just one of many cuts to the benefits of sick and disabled people, as has become apparent through these debates. The OBR report shows that there will be a steady fall in the percentage of GDP spent on benefits for sick and disabled people between now and 2020, which I would have thought is something the Government should be rather ashamed of. This is being achieved of course through freezing a number of benefits, tighter criteria for eligibility for PIP—which will lead to 500,000 disabled people no longer qualifying for the benefit by 2018—cuts in the level of disability benefits and, of course, the cut in WRAG benefits by £30 per week, the subject of Clause 13.

Amendment 50, if agreed, would in my view ensure that Clause 13 would never be implemented. There is no doubt in my mind that the implications of this

clause for the mental and physical well-being, the financial situation and, more particularly, the ability to return to work of WRAG claimants will be devastating. The first problem concerns the inadequacies of the WCA—the work capability assessment. Many people in the WRAG should very obviously not be there, and should be in the support group instead. One of the problems, but a very important one, is that the WCA is a functional assessment that does not take any account of the real world, in which employers simply will not employ someone with a progressive disease who is already assessed as unfit for work—someone with Parkinson's disease, for example. The early stages are fine, but then they would be assessed as fit for work. In addition, over half of WRAG claimants have mental and behavioural disorders, including learning disabilities, autism and mental illnesses, which generally fluctuate in their severity.

The Royal College of Psychiatrists reported new research by the universities of Liverpool and Oxford which estimates that the increase in WCA assessments may have led to 590 additional suicides, as well as an increase in mental health problems and in the number of prescriptions for anti-depressants. One has to think about the cost of all these downsides. While some WRAG claimants are, no doubt, quite properly preparing to return to work, many are being inappropriately required to jump through all sorts of work-preparation hoops and, no doubt, being required to make dozens of fruitless job applications, even if they are aware of the electronic screening of such applications, which I learned about from the Minister, most helpfully, yesterday.

Many of these claimants are having to try and come to terms, at the same time, with the fact that they have long-term mental or physical illnesses, terminal health problems or unpleasant symptoms which in many cases will only get worse, as well as with the misery of thinking that no employer may ever take them on again—quite a lot for someone to cope with.

6.45 pm

According to Parkinson's UK, nearly 8,000 people with progressive and incurable conditions, including Parkinson's, multiple sclerosis and, worst of all from my point of view, motor neurone disease, were placed in the WRAG between October 2008 and September 2013. I suggest that a high proportion of those 8,000 should simply not be there. The MS Society claims that between 2008 and 2014, 4,900 people were placed in the WRAG with a prognosis that work was,

"unlikely in the longer term".

If these very sick people can perform the conditionality activities, maybe this would be acceptable, or even perhaps helpful in some cases. But to deny them the ESA rate of benefit as well seems simply cruel. I would be grateful for the Minister's comment on the 8,000 figure, which came from a freedom of information request, and the implications for the planned cut in the WRAG benefit level.

So my first plea is that the Government urgently consider introducing a real-world employability test into the WCA. I know that it is somewhat countercultural but it seems important. The assessor should be required to ask themselves whether an employer will, realistically, employ the person within a finite period. Whatever functions the claimant has, if the answer to that question is no, the claimant simply should not be placed in the WRAG.

The aim of ESA is to replace the earnings of the disabled or sick person to enable them to meet their costs of living—food, clothes et cetera. As other noble Lords have said, the longer someone is out of work, the greater the preponderance of poverty, as clothes, household items and other things need to be replaced. The Minister is of course perfectly well aware of all that. I understand from the MS Society that a study by Scope revealed that on average it costs an extra £200 a week to live with a neurological condition. Does the Minister accept that figure? It is rather a striking one.

There is no evidence that the reason WRAG claimants spend longer on benefit than JSA claimants is in some way related to the fact that ESA is at a higher level than JSA. As my noble friend Lord Low said, the OECD study quoted by the Government did not consider disability, to my knowledge. There are instead very obvious reasons for the difficulty in finding work: if the claimants are not fit for work, employers, perhaps understandably, will not wish to take them on.

Most people with a health problem actually want to work, in my experience, and are perhaps more motivated than others who take their health for granted. People with Parkinson's, for example, know that they may well face heavy bills for social care and want to work as long as possible. A small-scale study found that people with Parkinson's, on average, worked for 3.4 to 4.9 years after diagnosis. Parkinson's UK estimates that 30% of people with Parkinson's are wrongly placed in the WRAG because the WCA fails to take account of their real-life situation. Again, that 30% is a very striking figure.

Some 53% of appeals against WCA decisions are successful. Will the Minister agree that this alone makes clear that yet another radical shake-up of the WCA is needed? Relevant to Amendment 50 is the fact that the impact assessment for Clause 13 fails to mention the known problems with the WCA or the impact on the health outcomes and needs of sick and disabled people. The Equality and Human Rights Commission expressed its concerns about the cuts to disabled people's benefits in its correspondence with the Secretary of State for Work and Pensions. What has the Minister done to address those particular concerns?

When an MS Society survey has revealed that over a quarter of claimants have already had to cut their spending on gas or electricity and nearly a third have cut the amount of food they eat, it is unthinkable that this further £30 per week cut in disabled people's incomes can go ahead. We need to have a clear analysis of the consequences for the mental and physical health of claimants, their financial situation and again, most particularly, their ability to return to work, since that is apparently the objective of all this. The study will need to be independent of government.

There are further implications of the proposed WRAG benefit cut down the line. Disabled lone parents stand to lose £3,500 a year if they are put on the JSA rate of WRAG and later claim universal credit because, at least for a time, they can return to work. This huge

[Baroness Meacher]
amount comprises the loss of £1,500 from WRAG and the rest from the work allowance. I find such a loss for disabled lone parents utterly unjustified and cruel. I am told that such parents will be no better off under UC than able-bodied lone parents. I actually find that quite hard to believe but am told that it is the case. I would be grateful if the Minister could comment on that.

I hope that the Minister will heed the warnings of the speakers in this debate and think again about the WRAG benefit cut. At the same time, will he heed the calls for a specialist employment support programme? I hope that the plans for personal employment coaches will include specialist disability training with some considerable breadth. One problem we have had for years is that a disability adviser may know about one or two disabilities but not the full range and certainly not physical and mental issues, drug addiction and so on. If this is a viable option, it might begin to move claimants in the right direction towards work.

Baroness Howe of Idlicote (CB): My Lords, my Amendment 51 would amend the Welfare Reform Act 2007 to include people with mental health problems in the ESA work-related activity group on the list of those exempt from the higher levels of conditionality introduced in the Welfare Reform Act 2012.

Research shows that people with mental health problems have a high "want-to-work" rate yet a high unemployment rate. Almost two-thirds of people with severe mental health problems are unemployed. Conditionality—that is, mandating people to take part in generic work-related activity such as CV-writing classes—has become an undisputed part of back-to-work support. Yet the use of the conditionality for this cohort of 250,000 people who are unwell because of a mental health problem is based on no evidence at all. The current schemes are clearly not working for people with mental health problems and the use of conditionality is not balanced with effective support. Less than 9% of people with mental health problems have been supported into work through the Government's flagship back-to-work scheme. The evaluation and report by the Department for Work and Pensions, as well as much independent research, shows that support is not tailored or personalised, and people with mental health problems are not supported as they should be. As well as being ineffective in helping people back to work, these mandated schemes make people's mental health worse. Mind's survey of more than 400 people with mental health problems showed that 83% on the Work Programme or with Jobcentre Plus said that it made their mental health worse or much worse.

My amendment would take away the conditionality part of support for people with mental health problems which requires them, under threat of sanction, to attend support whether or not it is effective or appropriate. Removing this pressure would mean that providers and Jobcentre Plus must give better support, relationships between claimants and advisers—so vital for successful back-to-work programmes—would improve and those with mental health problems would feel less pressure, which ultimately helps in their recovery.

Some may question how by removing the conditionality regime from people with mental health problems their employment outcomes will improve. The rationale here is that schemes which are voluntary for people with mental health problems have far better success rates at supporting them into work than the generic back-to-work schemes. If we want to halve the disability employment gap, we should create systems that work. To take one example, there is WorkPlace Leeds, which is part of Leeds Mind. It works solely with people with mental health problems. No conditionality is used and the support is linked with people's health as well as employment outcomes. Crucially, the advisers have a real understanding of mental health, the type of symptoms people experience and their specific barriers to work. In 2014-15, the programme secured paid employment for 32% of its clients, some of whom had not been in work for many years before starting the scheme. That is a far higher rate than the 9% achieved through the Work Programme nationally.

Why would my amendment work? Being placed under pressure and burdened by the fear of sanctions has a negative impact on people with mental health problems. When we think about the types of symptoms such people experience—intrusive thoughts, fear, distress, hearing voices, low mood—it is clear that the additional pressure and stress of being mandated to attend certain activities is particularly difficult, especially when these activities do not address the individual's mental health condition, as is often the case. By removing conditionality, people with mental health problems will gain more choice and control over the back-to-work support they receive. This is one of the most basic principles of supporting people with mental health problems, as outlined in NICE's guidelines, which say that shared decision-making should be a key part of any service. It does not seem to make sense to have guidelines based on evidence about how best to support people with mental health problems but then ignore them and look to something else.

As I said earlier, people with mental health problems have a high want-to-work rate and there is no evidence to show that conditionality achieves success at supporting them into work. We all want the same thing: to help more people into work. This amendment would provide a real opportunity to transform realistically the support into work offered to people with mental health problems. I hope that the Minister and the Government can accept my amendment.

Lord Layard (Lab): My Lords, I speak to Amendment 52, the purpose of which is to remedy an extraordinary anomaly. We have nearly a million people on ESA due to depression or anxiety disorders, which are extremely treatable conditions. However, only about half these people are in any form of treatment. Most of them have never even had a diagnosis. None of this makes sense and the solution is obvious: we must help these claimants into treatment if we possibly can.

The key services here are those belonging to the national system of Improving Access to Psychological Therapies, otherwise known as IAPT. Last year, these services saw and assessed 900,000 people and roughly half of those treated recovered during treatment. The average cost of treatment was about £1,000, which

compares strikingly with the cost to the Exchequer of a person being on ESA for a year rather than working, which is £8,000. Obviously, we want as many as possible of these claimants to enter into treatment with IAPT, for both their sake and that of the taxpayer.

Amendment 52 proposes that as soon as claimants are awarded ESA by virtue of mental illness, they should immediately be referred by the jobcentre to the local IAPT service for assessment and treatment—unless they are so ill that they need to be referred to step 4 care, in which case they should be referred to secondary services. The proposal does not involve compulsion. It says that the claimant should be offered assessment and treatment. However, if this is organised in a friendly way which assumes that this is simply what happens next, most claimants would accept it—though they should be offered the opportunity to say no.

Let me review a number of possible problems that have arisen in the discussion of this proposal—the proposal is not new. First, why is the referral to a psychological service rather than to something else? The answer comes of course straight from the NICE guidelines. Those say that all people with depression and anxiety disorders, which are the most common forms of mental disorder, should be offered modern, evidence-based psychological therapy. Clearly, that is what we need to bring about. The secondary mental health services are too busy with people who are more severely ill to be able to provide that to the vast body of people suffering from depression and anxiety disorders. That is the reason why IAPT was created and why it should have a key role in helping mentally ill people to get better and back into work. People can self-refer into IAPT, so there is no problem in having the jobcentre facilitate that without delay.

7 pm

Secondly, can IAPT deliver that volume of treatment? The answer is that it has the duty to do so. The NHS has a duty to treat any other medical condition and it is the same for this one. IAPT has had generous funding in the spending round, so there need be no waiting times, since the NHS accepts that employment issues are a legitimate ground for clinical priority. That is another important point. In my personal experience of trying to organise pilots for the kind of arrangement proposed in the amendment, it has always been the jobcentres, not the NHS, which have declined to co-operate. That is why I am proposing this legislation.

However, it has been argued in some quarters that for patients with employment issues, it would be better to develop a separate system of mental health care, with special emphasis on employment. That would be a very costly way to deal with this problem, because we already have a system in IAPT that has good quality-control mechanisms and outcome measurement, which would be much more difficult to re-establish elsewhere—so why not build on what we have? IAPT is constantly improving itself including, with government encouragement, increasing the use of digital methods. With adequate funding it could provide the required employment support.

I urge the Committee to adopt the very simple proposal embodied in Amendment 52. As I understand it, this Bill is primarily about saving money on welfare. If we think about it, there are other ways to do that than just cuts, and this would be a very effective way of saving money on welfare. I know that the Minister cares deeply about these issues and I hope he will support the principle of this proposal. I am sure there are details that can be improved, but I do hope it will be possible to work with him to develop this into a government amendment. I know that the Minister and his department are envisaging a White Paper on these issues next year, but next year is next year. This proposal has been around for about four years now. In the mean time, millions of claimants have suffered unnecessarily and have cost taxpayers billions in the process. I believe that this proposal has pretty much universal support and I urge the Minister to implement it forthwith.

Lord Lansley (Con): My Lords, I rise briefly to contribute to this debate. I am pleased to have the opportunity to do so and especially to follow the noble Lord, Lord Layard. At Second Reading, he kindly made a favourable reference to the work we did together in the previous Parliament to undertake the national rollout of improving access to psychological therapies. It was very important to do so and he has just eloquently explained to the Committee why it is particularly important in this context of giving people with mental health problems who want to work the opportunity to access treatment that takes them closer to work and gives them opportunities to return to work. I remember visiting just such a centre in Reading and seeing the success it achieved in enabling people with mental health problems to access treatment and get back to work much faster than would otherwise have been the case.

I confess to the Committee that I do not exactly support Amendment 52. There must be very limited circumstances in which we seek statutorily to provide for when the NHS should give treatment to particular individuals or sets of individuals; we have to be extremely careful. I applauded otherwise pretty much everything the noble Lord had to say. I was glad he was able to reference the support in the spending review for increasing access to talking therapies. I thought we had already established the fact, but further evidence has shown that talking therapies are at least as effective, as treatment, as access to medication. It has been reported that medication is no more effective than talking therapies, but I would put it the other way round—namely, we have discovered that talking therapies are at least as effective as medication, and often without the drawbacks associated with the dependence on medication that can emerge. I am very pleased that we were able to work together on the national rollout for the IAPT programme that was announced, if I recall correctly, in February 2011. That was published alongside the first national strategy for mental health, *No Health without Mental Health*.

I also want to speak to Clauses 13 and 14 stand part, which I very much support. As I said at Second Reading, one issue we need to focus on is helping people with disabilities into employment. Though I mean in no sense to be patronising, I think the report published yesterday, *Halving the Gap?*, is an extremely helpful contribution by the noble Lord, Lord Low and the noble Baronesses, Lady Meacher and Lady Grey-Thompson. It is an extremely good report, very clearly

[Lord Lansley]
set out. Its focus is absolutely right—namely, how do we reduce the gap between employment for disabled people and the access to employment that is being achieved by those without disabilities? We are doing this in the context that this country is an economy creating jobs as fast as the rest of Europe put together. Not only are we creating jobs and bringing down unemployment and the claimant count, but we are doing so with a record level of vacancies in the economy. We have the opportunity for employment, therefore, to a degree that we can be proud of; the question is whether we are giving people the appropriate support into work and creating the right incentive structure. I make no apology for saying that all three are important: opportunities for work, which I believe are there; support into work; and incentives for work.

I do not want to go on at length, but this is important. There is a great deal of material in the *Halving the Gap?* review that sets out some of the ways in which support for people getting closer to employment and taking it up can be improved. It is important never to think about legislation without understanding that, from the Government's point of view, it is often conducted with legislation on the one hand and administrative action on the other. This is very much one of the areas where the administrative changes are potentially at least as important as the legislative changes. In that context, the Work Programme has worked very well in some respects, but not so well in others—though it is of course a payment-by-results programme, and it was important that it was. Together with the evidence on work choices—which, although small in scale, had some benefits, as has been referred to—it is important to look at those examples, the work in jobcentres and all the other evidence, to see how, in particular, we can design the health and work programme from 2017, which will coincide with the changes proposed in this legislation, to ensure that it helps people in the work-related activity group into employment.

I listened with great care to the noble Lord, Lord Patel. I completely understand his point about giving time. We have to be very careful to understand that we are talking about people in the work-related activity group who may need more time than would customarily be true for those on JSA, but this is not a situation in which the more time is taken, the better it is—far from it. We are looking for people on a part of employment and support allowance to move towards employment and for progress to be made in that respect. That is where we need to focus and why the support that we give is extremely important. The reshaping of that support, which I know is contemplated alongside these legislative and benefit changes, has to happen.

I also mentioned incentives, which are important. It has been said that there is no evidence. One tends to think that the absence of evidence is not evidence of absence, but in this instance the reports from the OECD 10 years ago and from the Barr and others study refer to evidence of a relationship between the generosity of benefits and the employment implications. I do not think we should be surprised by that. The disparity between people's income out of work and in work is an essential part of understanding the incentive structure. Where that disparity is small, the incentive to work will be less. Where the disparity is greater, the incentive to work will be greater. We have to be clear that that is prima facie. It is not a matter of looking for evidence; we know that it is demonstrably true and there is plenty of evidence of it.

I completely understand that we also need to understand this in the context of people with disabilities and disability employment, but understanding that people with disabilities have special requirements and special constraints should not constrain our understanding that incentives must be aligned with support and opportunities. If the incentives are wrong—if they do not align with the support that we give in encouraging people to be in work or to be continuously moving towards work where they are capable of doing work-related activity—the system will not succeed.

The review was absolutely honest. It said that unemployment and economic inactivity have been stubbornly high for many years, so this is not a situation where we should simply say that what is happening now is good enough. We want to achieve change, and strengthening the incentive structure, alongside the support structure, is an essential part of the overall policy. Therefore, we need to keep the legislative change and the support changes administratively.

I shall make one final point. I was listening carefully to the noble Lord, Lord Low. While the review said that there is no evidence that the generosity of benefits has an incentive effect in relation to employment, there is something of a contradiction within the terms of the review. It is said in the review that there is a difficulty associated with current claimants—they will not be new claimants necessarily moved off accessing the additional support under WRAG in future—who go into employment and might then come back on to the WRAG element of ESA. Logically, because people asserted to the review that they would be disincentivised from taking jobs because they would not be able to go back on to the ESA WRAG element on their previous basis, by implication people were saying that the level of financial support under ESA is in itself a disincentive to taking work. We have to be clear that, within the review itself, there is a sense in which people are openly acknowledging that the level of benefits relative to work is an issue in terms of incentives.

Lord Low of Dalston: I understand the point the noble Lord is making, but I put it to him that the contradiction he points to arises only if you decide to remove the extra ESA WRAG component for new claimants. If the benefit remains the same, there is no disincentive in moving off work and moving back again.

7.15 pm

Lord Lansley: I entirely understand what the noble Lord said. That is indeed true. The point I am making is that the assertion made in evidence to the review that the noble Lord led was that under those circumstances people would be disincentivised from taking work because they would lose access to the level of benefits that they currently enjoy under the WRAG ESA. In a sense, that was completely contrary to the argument that the level of benefits does not in itself have an incentive effect.

Baroness Hollis of Heigham: Would the noble Lord agree that the Department for Work and Pensions has always understood that dilemma and therefore, particularly for disabled people, has sought to reduce the risk of going into work, in terms of both the claimant's health and the viability of the job, by having extensive linking rules? The linking rule that if you cannot sustain a job, you can go back on to your previous level of benefit allowed a lot of disabled people, under the New Deal for Disabled People, to springboard into work.

Lord Lansley: The noble Baroness is drawing me into a debate that I was not intending to enter into. My point was not about whether having a structure in which those who are currently on ESA WRAG and then go into employment and come off it should lose the benefit after 2017. My point is that within the terms of the review, contrary to the argument that is being presented that there is no incentive effect of the level of benefits relative to work, people are arguing that that is not true and that there is a disincentive effect in going into work if the level of benefits is higher.

I shall conclude on that point. It seems to me that we need to be operating on each of these areas. As a Government and a country, we are doing well in providing opportunities for employment. If we do the right thing in terms of support, we can give people with disabilities greater access to those employment opportunities that are increasingly available and, most importantly, give people access to the support. The review gives very good material for the Government to continue the process of thinking towards what that structure of support should be to be of the greatest possible benefit for people with disabilities.

Baroness Manzoor: Surely with his health background the noble Lord is not saying that people who have been deemed to be sick and ill should be given jobs and should be made to go into employment. That is not what he is saying, is it?

Lord Lansley: No, it is not—and I do not think that we should construe an incentive structure as being coercion. It is precisely what it describes. We are talking about the level of relative benefits and if people fall properly into this category—I have not got into the question of whether the work capability assessment is accurately placing people in the WRAG ESA rather than the support group—they should be in a position to work. It is not about coercion. Sixty-one per cent want to work, but not enough of them are getting work. We should have incentive and support structures that help them to get that work and we should make sure that the incentives do not get in the way but support this. It is nothing to do with coercion.

Baroness Hollins (CB): My Lords, I have put my name to a number of amendments in this group and shall speak briefly to them. As my noble friend Lady Howe explained, Amendment 51 would mean that people with a mental or behavioural disorder would not be mandated to take part in inappropriate activities that might be detrimental to their mental health and that the current sanctions would no longer impact on them. It is crucial that support is tailored to the individual and that it addresses a person's main barriers to work. For people with mental health problems, I cannot stress enough how important a good relationship between a claimant and adviser is and that people must be involved in decisions being made about them.

With respect to Amendment 52 I will restrict my comments to the provision of mental health care. This amendment would mean that anyone on ESA with a mental health problem as their primary condition—as the noble Lord, Lord Layard, explained—could be fast-tracked to IAPT for therapy. That needs to be debated, but Mind is concerned about the broader implications this could have for the many people who are already on waiting lists for talking therapy.

A survey of 2,000 people from the We Need to Talk coalition last year found that one in 10 people had to wait over a year between being referred for talking therapy and having an assessment. Waiting this long can be incredibly damaging. The findings also showed that while waiting for talking treatments, four in 10 people harmed themselves, one in six attempted to take their own life and at least 6% of people ended up being admitted to hospital.

People are already trying to get treatment, but services are just not meeting demand. We would need to know what types of treatments people with mental health problems on ESA are already receiving, are likely to be waiting for or have already received. So it is difficult to know what effect this amendment would have.

The final point to tease out of this debate is to raise caution around any suggestion of mandated treatment, although I am sure that this is not the intended effect of this amendment. I am pleased to speak to the amendment to highlight the wider issues around access to mental health services. Anything we can do to improve access to mental health services for all is absolutely a good thing. The Minister defended the proposed changes to the ESA WRAG during discussion of Amendment 34 earlier this week by saying that the Government are doing more than any previous Government to improve access to mental health services —presumably those provided by the NHS. However, mental health is still the Cinderella service in healthcare and is not just the responsibility of the NHS. If I were a Minister in the Department of Health, I would be extremely worried that these proposed DWP policies would lead to an increase in or a worsening of mental disorders for people in this group and that they would lead to additional demand and escalating costs.

I will also speak briefly on the stand part debate for Clauses 13 and 14. My noble friend Lord Rix sends his apologies. It is quite a task for him to come into the House at the moment due to his current health problems, so he chose to focus his input on his excellent Second Reading speech.

I welcome the review published by my noble friends Lord Low, Lady Meacher and Lady Grey-Thompson and I urge the Minister to look closely at it. I particularly welcome the review's inclusion of people with a learning disability. The story of Sam Jeffries, who himself has a

[Baroness Hollins]
learning disability and whom I met yesterday at the launch of the review's publication, where he spoke, gives a human face to the concerns that noble Lords are expressing.

Sam is a 25 year-old man who lives on the Isle of Wight with his nan. He is currently in the ESA WRAG group. He has a moderate learning disability and some joint problems, so he finds it difficult and painful to walk other than for short distances. He uses some of his personal budget to go to a Mencap day service, which he enjoys, although he would like to work. He has a support worker, who is paid partly from his personal budget and partly from his benefits. Sam says that if he were to lose another £30 a week it would make a massive difference. He would struggle to pay for everything. It would mean not going to his day service and being unable to afford the taxis he sometimes needs to get around. He would like to work part-time if he could but there are not many jobs around, and sometimes 50 people are competing for each job.

I have worked with people with a learning disability for much of my life, and they need the support to look for work and ongoing job support. This should be the Government's focus, not cutting benefits. To do so will ruin the employment prospects of many people with a learning disability while at the same time affecting their social life, their health and their self-esteem.

Baroness Tyler of Enfield (LD): My Lords, I will briefly speak to Amendment 52, to which I have put my name. In so doing I express my strong support for Amendment 51, in the name of the noble Baroness, Lady Howe, which aims to improve back to work support for people with mental health problems. I also signal my strong support for the arguments that have been put forward that Clauses 13 and 14 should not stand part of the Bill.

I will briefly speak on Amendment 52. The noble Lord, Lord Layard, has already argued very powerfully that any person with a mental health problem as a primary medical condition awarded ESA in the WRAG group is immediately offered assessment and treatment in a local IAPT service. That is very important, and I will explain why I added my name to that amendment. It is about offering that treatment, not about it being compulsory—that is an important point to grab hold of, given the discussion we have had.

There is now plenty of evidence which shows that when people experience mental health problems, getting the right type of talking therapy as early as possible can make a huge difference to their recovery and their ability either to return to or enter work, and to prevent them becoming ill again. It is a very good and helpful idea that people with mental health problems in the WRAG group should get that immediate treatment. I accept that there are issues to work through here, to which the noble Baroness, Lady Hollins, drew attention, about making sure that in doing this we do not build some sort of tiered approach to mental health services, which could create difficulties.

The key point I want to underline, which was made so powerfully by the noble Lord, Lord Layard, was that an approach like this could save a very large amount of money on welfare. From listening to the debate so far, I have understood from the Government that that is what the Bill is primarily about. There is an opportunity to do that here, so we should not pass it up. I also offer my services to work with the Minister to find a way to make this amendment work, because it has great potential.

Lord Beecham (Lab): My Lords, the *Journal of Epidemiology and Community Health* recently published a report which suggested that the work capability assessment process might have led to the large number of 600 extra suicides. It says that its study,

"provides evidence that the policy in England of reassessing the eligibility of benefit recipients using the WCA may have unintended but serious consequences for population mental health, and there is a danger that these adverse effects outweigh any benefits that may or may not arise from moving people off disability benefits".

It goes on to say:

"Although the explicit aim of welfare reform in the UK is to reduce 'dependency', it is likely that targeting the people living in the most vulnerable conditions with policies that are harmful to health, will further marginalise already excluded groups, reducing, rather than increasing, their independence".

After reading about that report I tabled a Written Question, which produced a very prompt Answer from the Minister. I am grateful about the time it took, although the Answer was not exactly informative. The Question was:

"To ask Her Majesty's Government whether they will release data relevant to the assessment of whether Work Capability Assessment tests are connected to the incidence of suicide or mental health problems of disability benefit claimants; and if so, when".

The reply was brief and to the point:

"The information requested is not available".

I can understand that but surely, the issue having been raised, it is incumbent upon the Government to make inquiries into the report that the journal produced and to satisfy themselves and others that the process of the work capability assessment is not resulting in ill effects upon those undergoing the process of such assessment to any significant extent, let alone, of course, the dreadful extent of suicides resulting from it. I hope that having regard to the thrust of the amendments in this group, the Minister will indicate that the Government will again look into, or rather look into—clearly they have not looked into the possibilities here—the impact of that assessment, taking into account the report to which I refer. It is surely imperative that in recasting the system we take every opportunity to ensure that minimal harm is occasioned by the processes that are instituted to distribute the benefits in question.

7.30 pm

Lord Blencathra (Con): My Lords, in introducing his amendment, I think that the noble Lord, Lord Patel, said quite early on that he wanted to put the proposal on hold until the Government could demonstrate that it would work. I think, therefore, that the problem with Amendment 50 is that it simply asking for the Secretary of State's best guess or estimate. I suggest that we cannot demonstrate that it will work until it is implemented in practice.

The Government have already given an assessment of the policy change. In his Budget speech, the Chancellor said that ESA,

"was supposed to end some of the perverse incentives in the old incapacity benefit, but instead it has introduced new ones. One of those is that those who are placed in the work-related activity group receive more money a week than those on jobseeker's allowance, but get nothing like the help to find suitable employment. The number of JSA claimants has fallen by 700,000 since 2010, while the number of incapacity benefits claimants has fallen by just 90,000. That is despite 61% of claimants on the ESA WRAG benefit saying that they want to work".—[*Official Report*, Commons, 8/7/15; col. 333.]

I simply say as someone with a little bit of experience of politics that, if that is the judgment that the Chancellor of the Exchequer has already made, I cannot see any assessment by the Secretary of State coming to radically different conclusions. Also, even if the Government employed 20 experts, I think we would end up with 40 different opinions of how it might work in practice. I believe that the policy is right in principle but it is crucial to make sure that it works in practice.

As far as saving money is concerned, I would simply say the following, although it may not be popular in all quarters. When I see, participate in and indeed benefit from some of the extraordinary medical improvements that are being made daily, I cannot understand why expenditure on disability benefits has risen so much—by £2 billion in the last Parliament. I cannot believe that as a country we are becoming more disabled, but maybe we are.

It is clear—and everyone agrees—that most people who are disabled want to work if they can. We have to ensure that they are correctly assessed and given the right incentives and help, and that employers are constantly reminded of their responsibilities. Despite some criticisms of the WCA, I think that it has been getting a little better under each Government. I know nothing about cancer or mental health but I have some experience of progressive illnesses, where one can move from being fit to work and able to do practically anything to having limited capacity for work or work-related activity, to being completely unfit for work.

Let us take as examples Parkinson's disease and MS. I have been pretty lucky. Some people go downhill very quickly but there are huge variations, and we cannot have a policy of one case fits all. Some people may be able to walk okay but are hit by terrible fatigue, rendering them unfit to work, although they otherwise seem physically capable.

I had to retire as an MP in 2010 because I no longer had the stamina to do the phenomenal 80-plus hours a week which MPs have to do and are expected to do, as well as completing a phenomenal amount of travelling. Even though I got round all the flooded areas of Cumbria in 2005, I would not have managed it last weekend because I do not have the energy for that now. Of course, I accept that parliamentarians are not a very good test group for people in the country; nevertheless, there are tens of thousands of people who can work in some way but need to drop down a gear or two and do lesser work than they did in the past. Those in the WRAG must not be left to fester until they move inexorably on to the support group. Of course, there are many tens of thousands with a disability who have limited capacity but will not progress to the unfit-to-work-at-all category.

Finally, I want to comment on employers and their responsibility. I support the work of the Disability Confident campaign but we have to educate and pressure employers more. I do not think that employers are institutionally prejudiced against disabled people but they are a bit afraid—they are not quite sure what to do. The same could be said of many of your Lordships. When those of us in wheelchairs approach a door, most noble Lords want to jump and help to open it for us, but then they are slightly afraid. Will we get stroppy that they have tried to help us, because we want to be independent and do it ourselves? It is also a bit like men opening a door for a lady. Is it a nice gentlemanly gesture or is it some sexist put-down?

Employers are in a similar position. They want to help but they do not quite understand disability. They are afraid that there may be a drop in efficiency in the business or that their other employees will complain that they are "carrying" the disabled people. They are afraid that they may be more subject to industrial relations disputes or be taken to a tribunal if they have not tweaked the facilities in exactly the right way. They know that there is a wide range of disabilities but they think, "We'll put in a wheelchair ramp and we might be able to employ someone who's deaf, though we're not sure we can employ someone who is blind or partially sighted". It is much easier to find an excuse not to employ disabled people. I believe that we can do a huge amount more to educate employers that it is a safe risk to take and that people are capable of doing certain things—not every task in the company, but certain things.

I conclude by setting an example. I have a little bee in my bonnet about Parliament. We in this House are protected by the most wonderful doorkeepers, who will throw themselves in front of a speeding bullet to save our lives. However, there are guys and women coming back from Afghanistan with no arms or legs. When we see them running and winning marathons, it is clear that they are as fit as fiddles. We should employ some of those people in this House as well—perhaps as doorkeepers and in other capacities—because, if we in Parliament do not set an example and show that you can take on people who are apparently severely disabled but can do either a full-time or a part-time job, then we cannot harangue employers that they are failing in their responsibilities.

Without going into all the details of the work incentives and the £30 reduction—those have been given by the experts on all sides who have spoken today—I simply say that I think we can get the incentives right. If we can achieve the end result of making employers recruit more disabled people, then this policy is worth testing in the medium term.

Baroness Doocey (LD): My Lords, reading the text of Clauses 13 and 14, as with so much legislation, does little to reveal the huge impact that this change is likely to have, but the impact is going to be very severe for disabled people. The argument that cutting benefits for disabled people will incentivise them to work is, frankly, insulting. As many other noble Lords have

[Baroness Doocey]
said, disabled people want to work if they can. People with progressive illnesses would love to feel remission and resume their careers, and people struck down with serious illnesses or mental ill-health would give almost anything to be well again.

That is why it is so iniquitous to claim that this cut in support will somehow incentivise a return to employment. Surely it would be more honest for the Government simply to say, "If £73.10 a week is enough for people on jobseeker's allowance, it's enough for people on employment and support allowance with limited work capabilities". But that is not correct.

First, if you are fit and healthy, unemployment is expected to be short-term, although for many sometimes it is not. For the majority it is possible to scrimp by on subsistence living for a few weeks or months while looking for a job, but if you are not fit for work and have a debilitating long-term condition, then it could, sadly, be years and years before you get back into work, if at all. Scraping by without buying clothes or replacing worn-out household items becomes increasingly difficult, as does dealing with increased prices. The further impact on physical and mental well-being is extraordinary and depressing for many people.

There are also costs associated with being sick or disabled: the costs of travelling to medical appointments, of extra heating, of specialised diets and of mobility aids—all the things that are required because of your illness or disability. These extra costs significantly impact on disabled people's savings, which makes managing on low incomes for very long periods incredibly difficult.

Finally, there are the huge barriers faced by disabled people who try to find work once the Government have assessed them as able to return to work or to enter the workforce. The vast majority of employers, whether meaning to or not, look at disabled people and see only a problem. They seldom see the opportunity to benefit from their determination and talent. The Government have recognised this problem with their commitment to tackle the disability employment gap. Sadly, in Clauses 13 and 14 that commitment has been translated into a snatch-and-grab raid against sick and disabled people, who need support to find work when they can, not the threat of no food on the table if they cannot.

I sincerely hope that the Government will reconsider this proposal, which would have the most severe consequences for some of the most vulnerable people in our society.

Baroness Grey-Thompson: My Lords, I want to talk about the review of ESA, which I was involved in, along with my noble friends Lord Low and Lady Meacher. As they have said, the review found no evidence to back up the assertion that the £30-a-week component is acting as a disincentive for sick and disabled people to work. The barriers to work for disabled people are long-standing and far more complex than that, involving myriad reasons.

It its response, Parkinson's UK gave an excellent example of how the disincentive argument falls down:

"Given that Parkinson's is a progressive condition, it is not possible to 'incentivise' someone to look for work, or to return to work more quickly by cutting their ESA support. Parkinson's UK is particularly concerned that the impact assessment for Clause 13 of the Bill suggests that someone could 'by working around 4-5 hours a week at National Living Wage, recoup the notional loss of the WRAG component'. This is not a realistic possibility for anyone with a progressive condition who has already been acknowledged as too unwell to work".

The noble Lord, Lord Blencathra, made some interesting points about employing disabled people in this House. I suggest that we go a little further. I would like more disabled people to work for the Department for Work and Pensions, and to work on WCA and PIP assessments. Who better to assess who can and cannot do something than a disabled person with such a condition?

The work capability assessment is an important part of this debate. Although the review did not set out to look at it specifically, a huge number of respondents wrote to tell us about it—the horrific experience they had had and the fear, stress and anxiety the process had caused. Between December 2014 and June 2015, 53% of everyone who had appealed their ESA fit-for-work decision had it reversed, which tells us a huge amount about the accuracy of the assessment. I am certain that many would agree with me. Indeed, the Work and Pensions Select Committee has recommended that the Government,

"undertake a fundamental redesign of the ESA end-to-end process".

Getting the assessment right and ensuring that disabled people are offered the right support to help them take steps towards work is fundamental.

Many respondents told us that the proposed £30-a-week cut would hinder their ability to undertake work-related activity, training, work placements and volunteering, as well as to get to and from work-focused interviews or indeed job interviews. Transport is often inaccessible for disabled people, particularly those with mobility difficulties or who, like me, are wheelchair users. A survey carried out by Leonard Cheshire found that 59% of respondents had been refused access to public transport because of their disability. I estimate that at least once a month I am refused access to public transport. I declare that I am a member of the board of Transport for London, and although it is great that all buses have ramps, only one wheelchair per bus is allowed, and only one wheelchair per train carriage—by which I mean there is one wheelchair space in standard class and one in first class. If that space is taken, I cannot get on the train. Only one in 10 Tube stations on the Central line is accessible, and even the Jubilee line, which is more modern, still has many problems with access.

I should be delighted to take the Minister on one of my journeys round London. As much as I do not like non-disabled people using wheelchairs, because it does not give them the true lived experience, it might be interesting for the Minister to try it to see how much longer it takes me to get round London, to get to work and to just live my life.

Some 64% of disabled people have to cancel or miss appointments because of public transport not being accessible; 75% said they found using public transport "quite difficult" or "very difficult". The solution might be taxis, but they can be expensive, and often more so for disabled people. Just last week, three taxi drivers on Parliament Square drove past me instead of picking

me up. According to Scope, two in three wheelchair users say they have been overcharged for taxi or private hire vehicle use because of their wheelchairs. DLA and PIP may go some way to offsetting this—but so does the £30 a week of the WRAG component. It is there to recognise the fact that it can take disabled people longer to secure work. Indeed, 10% of unemployed disabled people have been unemployed for five years or more, compared with just 3% of the non-disabled population. It also goes some way to reflecting the fact that it is more expensive to travel to training and work experience placements, as well as to job interviews.

Many respondents highlighted the negative impact such a cut would have on health and well-being. It was highlighted specifically by mental health charities and respondents with mental health difficulties, who talked about the mounting stress and anxiety that comes from being pushed into, or deeper into, poverty. Macmillan Cancer Support talked about cancer patients who, in many cases, have to cut back on food and heating in order to make ends meet. The MS Society suggested that people might have to cut back on medication and prescriptions, as well as specialist equipment. This would undoubtedly move them further from the workplace, but also presents a very serious threat to their health.

7.45 pm

Organisations such as Mencap and the National Autistic Society talked about the risk of social isolation. One respondent said:

"I would have to cancel my phone and my internet which would make it really hard to contact people in my life who support me such as my social worker, parents and doctor".

This is terrible on a human level—we all need a social life and want to be included in society—but it will also impact on work readiness. People will have reduced social networks. They might miss out on job opportunities, but also the support from family and friends encouraging them to get back into work.

The review urges the Government to cease the £30-a-week cut for disabled people in the ESA WRAG group, and the cut to the equivalent payment under universal credit. It would contradict the Government's aim to get more disabled people into work and would hurt some of the most vulnerable in society. Instead, the Government should focus on improving support for those who can take steps towards work. The review was provided with a raft of examples of good practice and suggestions. In summary, they involve better practical employment-related support, better support to enable people to manage their health condition or impairment, better expertise and understanding from work coaches, and working more with employers so they understand how to support disabled people.

I hope that the Government look at this in next year's White Paper, announced at the spending review, and choose to focus on better support, rather than simply cutting benefits, which are a lifeline to many.

Baroness Lister of Burtersett: The noble Baroness, Lady Grey-Thompson, has made a very powerful case as to why cutting benefits actually makes it harder for people, particularly disabled people, to find work. That has also come out in other research. For example, Community Links has said that if you push people into survival mode, then they just have to focus on surviving.

I want briefly to respond to the noble Lord, Lord Lansley, who talked about the incentive structure. We have heard a lot about the famous OECD quote, which has been bandied back and forth. I thought it might be worth reading out the paragraph from which that quote came:

"A policy of no welfare would be the best solution to maximise labour supply, if equity issues were not a concern".

I shall miss out the next sentence, but it does not change the meaning:

"distributional issues are a primary concern when designing policies to help people return to self-sufficiency through work and, in this context, studies show that in-work benefits can maximise social welfare".

The message coming from the OECD report that has been quoted so often is in fact that the answer lies in improving support for those in work—which, of course, the Government are making worse—rather than cutting benefits for those out of work.

Another OECD report that came out only two years earlier, on incapacity benefits—so I am surprised the Government have not mentioned it—called *Transforming Disability into Ability*, refers to the benefit traps and incentive problems that the noble Lord talked about. However, it said:

"The evidence concerning such types of benefit traps is inconclusive".

I suggest that it remains inconclusive, and the evidence prayed in aid by the Government does not support the case for this really quite savage cut in benefits for disabled people.

Lord Freud: Clauses 13 and 14 remove the work-related activity component and limited capability for work element for new claims for ESA and universal credit. These clauses do not affect the support group component, the UC equivalent or the premiums that form part of income-related ESA.

ESA was introduced by Labour in 2008, and the work-related activity component was originally intended to act as an incentive to encourage people to participate in work-related activity and therefore return to work quicker.

The original estimates were that far more claimants would move into work. Indeed, the White Paper *Raising Expectations and Increasing Support: Reforming Welfare for the Future*, published in 2008, stated that the then Labour Government aimed to reduce the number of people on incapacity benefits by 1 million by 2015. However, only around 1% of people in the work-related activity group leave the benefit each month, so clearly the existing policy is not working as intended and is failing claimants.

While financial incentives are only part of the answer on what impacts on claimant behaviour, they are an important part. This has been recognised for a long time. Going even further back, a Green Paper, *A New Deal for Welfare: Empowering People to Work*, published in 2006, highlighted that most people who came on to incapacity benefit expected to work again but many

[LORD FREUD]
never did; that the longer a person remained on benefit, the less chance they had of leaving; and that incapacity benefit reinforced this by offering more money the longer that someone was on benefit. I am sorry to say that although that Green Paper was talking about incapacity benefit, a similar sentiment could now be expressed about ESA. Too many people with disabilities and health conditions are still being excluded from the world of work and not fulfilling their ambitions. I am grateful to my noble friend Lord Lansley for pinpointing this issue.

I turn to the international evidence on incentives that we have been bandying around. The OECD report argued:

"Financial incentives to work can be improved by either cutting welfare benefit levels, or introducing in-work benefits while leaving benefit levels unchanged".

The findings cover the whole population, and although not specifically focused on the disabled population, do not indicate that such incentives would not apply.

Baroness Lister of Burtersett: I just read out the whole paragraph that that quote is taken from, which makes it quite clear that it sees the answer as lying in improved in-work benefits, not in cutting out-of-work benefits.

Lord Freud: I am not now looking at recommendations for action. I am just looking at what evidence we have that incentives either way work for the disabled community because that is the issue that noble Lords are querying. Let me go on. A paper by Barr et al, published by the *Journal of Epidemiology and Community Health* in 2010, asks:

"To what extent have relaxed eligibility requirements and increased generosity of disability benefits acted as disincentives for employment?".

It finds that eight out of 11 studies reported that benefit levels had a significant negative association with employment. To pick up the point made by the noble Lord, Lord Low, about the level of the evidence, while they state that they cannot quantify the size of the effect, they conclude that there definitely is one. The most robust study in that paper, by Hesselius and Persson from 2007, demonstrated a small but significant negative association. The final paper, by Kostøl and Mogstad from 2012, is about evidence from Norway regarding a positive incentive structure allowing disabled claimants to retain more of their benefits when moving into work, which resulted in more claimants starting work. The study shows the impact of financial incentives on disabled people able to undertake preparation for work or work itself, which is a group synonymous with our WRAG population.

Lord Low of Dalston: I am sorry to have been a little slow in coming back to the Minister; it took me a little while to find the reference. With regard to the Barr study, the Minister will recall that I pointed out that Barr et al said that, with regard to whether there was a negative association between benefits and employment rates, there was insufficient evidence of a high enough quality to determine the extent of that effect.

Lord Freud: That is the point that I just made: they could not determine the extent but they could determine the direction. Lastly, the Sheffield Hallam report, which the noble Lord, Lord Patel, mentioned, says that it is unlikely that they will move into employment because of the obstacles that they face. However, we are providing additional support. Indeed, that report did not look specifically at the WRAG.

A number of noble Lords have questioned why we are suggesting that claimants who have been found to be "not fit for work" should be expected to be able to work. I stress that ESA claimants in the work-related activity group have been found to have limited capability for work. The same is true for universal credit claimants. This is very different from being unfit for any work and, although they are not required to look for work, ESA explicitly recognises that claimants may be able to undertake some work via the permitted work rules.

On the question from the noble Baroness, Lady Meacher, about adding employability to the WCA, the Secretary of State announced his intention to look at how assessments can be better geared towards those preparing for work. As a number of noble Lords have pointed out, we have announced a White Paper to set out our reforms to improve support for people with health conditions and disabilities.

There may be limitations on the type and amount of work that people in the WRAG can do, and they may also need workplace adjustments, but employment is not ruled out. This is an important distinction; we know that many people with disabilities and health conditions are already working, and many others want to do so. The move to universal credit, an in-and-out-of-work benefit that supports small or fluctuating amounts of work, means that many of the barriers in the current system that claimants face when moving into work are removed. Those are the kind of issues that the noble Baroness, Lady Hollis, was talking about with regard to linking rules. This is particularly helpful for people whose health condition means that they can work only some of the time.

To pick up the points from the noble Lord, Lord Low, and the noble Baroness, Lady Grey-Thompson, about the way in which some of these costs are used when either finding work or being in work, travel-to-work costs can be met by the Access to Work scheme, and travel-to-interview costs can be met by the flexible support fund, which is run in JCP. The Government are committed to ensuring that disabled people are able to participate fully in society, and we have set out our ambition to halve the disability employment gap. It is a duty of the Government to support those who want to work to do so and, as I have already mentioned, most people with disabilities and health conditions want to work, including the majority of ESA claimants. Some 61% of those in the WRAG tell us that they want to work, and we mean to put those people's ambitions at the centre of what we do.

On the point raised by the noble Baroness, Lady Meacher, and touched on by my noble friend Lord Blencathra, about whether employers would employ disabled people, we recognise that that is an issue and have pushed the Disability Confident campaign. We

have Access to Work behind that, not to speak of the incentive structure of universal credit to get people into work.

In 2012, the UK had a disability employment rate gap of 34 percentage points, which was higher than that in France and Germany, with 19 and 22 percentage points respectively. Therefore, we know it is possible for us to do better and ensure that people with health conditions do not get trapped in the benefits system. That leads to why we are committed to halving the gap.

Lord Kirkwood of Kirkhope: Could the Minister give us some assurance about the impact of the 60% reduction in the departmental expenditure limit between now and 2020? I hear what he says, but to get the kind of service that he aspires to needs specialist help and experienced people, who will be harder to find because the department will have less money to pay them.

8 pm

Lord Freud: That is a massive question. The short answer is that because universal credit is a much more efficient benefit to administer, we are able, in practice, to put more people on the front line to support those who we need to support. The department has been working very hard, with very precise ways of helping quite a lot of new people doing quite a lot of new things; work progression is one part of that and disability another.

The changes I have been talking about will be accompanied by new funding of up to £100 million per year by 2020-21, which is part of where the money is coming from, to help claimants with limited capability but some potential for work to move closer to the labour market and, when they are ready, to get back into work. We will provide more details on this kind of support next year. In the Autumn Statement, the Government announced an increase of nearly 15% to help people with health conditions return to and remain in work.

There is a great deal of interest in this House and elsewhere about how we will make this employment offer. We will set up a task force, which will include external experts, disabled people and disabled people's organisations to make sure that we do this in the best possible way.

In this context, I will pick up one other point from the noble Lord, Lord Low, who said that the Work Programme had failed disabled claimants. More generally, the Work Programme clearly has had some astonishing outcomes. In this area, it has taken a group that is traditionally very difficult to get into work and, in the latest cohort, it has got one in 13 people into work for at least three months since joining the scheme. That figure is higher than the expected level of one in 14, and has effectively doubled since the Work Programme started. Then, when it was trying to find its way into what was working, the figure was one in 25.

The noble Baroness, Lady Howe, raised the issue of mental health, which has been of acute concern to us for a number of years and is an issue that I personally have pushed for five and a half years now. We now have a programme of £43 million over the next three years to build our evidence on what works for those who have been long-term unemployed and have mental health conditions. A range of pilot schemes is going through to test what actually works. I am enormously proud of getting that kind of money to this kind of issue, which I suspect has been but a dream for previous Ministers in my position.

Let me address the amendment tabled by the noble Lord, Lord Patel, the noble Baroness, Lady Meacher, and the noble Lord, Lord McKenzie, which seeks to do two things. First, it requires the Secretary of State to publish a report, before subsections (2) and (3) come into force, on the impact that these provisions will have on those affected by the change, particularly the impact on a person's health, finances and ability to return to work. A similar amendment was laid and debated in the other place. We have, of course, already published our assessment of the impacts, which was made available on 20 July. I can assure noble Lords that the Government are committed to a fair tax and welfare system, and that every individual policy change is carefully considered. How the changes affect individuals will depend on their circumstances, including the nature of their illness or disability, which can vary considerably.

I point out to the noble Lord, Lord Patel, that the proportion of people in relative poverty who live in a family where someone is disabled has actually fallen since 2010. PIP is the benefit that provides a contribution towards some of the extra costs arising from a long-term health condition, and that is protected. I know that the noble Lord is particularly concerned about the effect of this change on people with cancer. I am delighted to be able to confirm that the vast majority of people with cancer claiming ESA are in the support group. This includes anyone who is either preparing for, receiving or recovering from chemotherapy or radiotherapy that will significantly limit their ability to work. Only a small proportion of individuals whose initial diagnosis is cancer will be placed in the WRAG. Employment can obviously play a vital part in supporting an individual's recovery. Macmillan itself recognises this and stated in a report:

> "Many people who are working when they are diagnosed with cancer would prefer to remain in work, or return to their job, during or after treatment".

I will pick up on the point made by the noble Baroness, Lady Manzoor, and my noble friend Lord Blencathra about Parkinson's. On its website, Parkinson's UK recognises that many people with Parkinson's continue to work for many years after their diagnosis, although to do so they may need changes to the way in which they work. I also need to reassure the noble Baroness, Lady Meacher, that no one who has motor neurone disease is currently in the WRAG.

As other noble Lords have mentioned, we are now committed to replacing Work Choice and the Work Programme with a combined work and health programme, so the support systems should now start to ratchet up, benefiting from the considerable amount that we have learned in the last few years.

There is a large body of evidence to show that work is generally good for physical and mental well-being and that, where their health condition permits, sick and disabled people should be encouraged and supported to remain in or to re-enter work as soon as possible.

[LORD FREUD]
That is why an important part of this change is the extra resource that we are putting into support to help bring that about.

The second part of the amendment seeks to require that any regulations made under this section of the Bill be made under the affirmative procedure. However, as these measures are being debated extensively throughout the passage of the Bill, I am not convinced that requiring further debates in both Houses on the regulations is a necessary or, indeed, appropriate use of costly parliamentary time.

I can confirm to the noble Lord, Lord Patel, that those who move from support to WRAG will be protected. It will not be regarded as a new claim, as he asked.

I turn now to the amendments tabled by the noble Lord, Lord Layard, and the noble Baronesses, Lady Hollins, Lady Tyler and Lady Howe, which seek to remove work rate requirements from claimants with a mental or behavioural disorder and refer them to IAPT. As already stated, there is a large and growing body of evidence over the last decade showing that work can keep people healthy as well as help promote recovery if someone falls ill. This includes mental health. By contrast, there is a strong link between those not in work and poor health. We also know that the majority of ESA claimants in the WRAG want to work.

At this point I would like thank the noble Lord, Lord Low, and the noble Baronesses, Lady Meacher and Lady Grey-Thompson, for the report that I received yesterday. They brought it to me, and I read it with great interest. I am particularly struck by the impact that being out of work has on people's health—and that is, of course, the reason that we have announced our intention to have a White Paper. We will continue to monitor the impact of this change over time through regular national statistics.

Amendment 52 was spoken to by the noble Lord, Lord Layard, and my noble friend Lord Lansley. We recognise the barriers that people can face, which is why we are committing these resources to help them find what works best for them. I agree that access—and particularly early access—to treatment services can be crucial to achieving recovery. I genuinely support this part of the agenda, and the noble Lord, Lord Layard, knows that I do, but I do not believe that this particular Bill is the right mechanism to achieve these ends. The Secretary of State does not have the power to offer NHS services to claimants. Even if he did have that power, devolved Governments in Wales, Scotland and Northern Ireland have had power over the organisation and budgets of the NHS within their jurisdictions since 1999, so in practice this amendment would be constitutionally impossible.

I should like to conclude—noble Lords will be relieved to hear—by reminding the Committee that the Government committed in their manifesto to halving the disability employment gap and improving the support we provide to people with mental ill-health and long-term health conditions. The change to ESA and universal credit is an important part of that, so I urge the noble Lord to withdraw his amendment and support the proposition that Clauses 13 and 14 should stand part of the Bill.

Lord Patel: My Lords, we have now been talking for about two hours and seven minutes, with some 17 speakers. We cannot claim that we have not given enough time to this group. I do not want to prolong the discussion; I am tempted to take this opportunity to engage with the noble Lord, Lord Lansley—for which I have been waiting for a very long time—but I will wait a little longer. I thank all noble Lords who have taken part, whether they addressed my amendment or the other amendments. I sincerely appreciate very much—I say that on behalf of all of us—that the noble Lord, Lord Freud, does listen to us and his response at length demonstrates that. I am encouraged by some of the things he said relating to my amendment and cancer patients, but I hope that others might have felt that some of the things he said were encouraging. I have no doubt that there are others who did not. I, and, I am sure, others, will read very carefully what he said, encouraged by the White Paper. I thank the Minister and beg leave to withdraw my amendment.

Amendment 50 withdrawn.

Clause 13 agreed.

Amendments 51 and 52 not moved.

Clause 14: Universal credit: limited capability for work element

Amendment 53 not moved.

Clause 14 agreed.

House resumed. Committee to begin again not before 8.44 pm.

Prüm: UK Opt-in

Motion to Support

8.15 pm

Moved by ***Lord Bates***

To move that this House supports Her Majesty's Government's decision to opt in to the Prüm decisions and the related safeguards put in place in respect of access to data by other States.

The Minister of State, Home Office (Lord Bates) (Con): My Lords, we are here tonight to debate the Prüm decisions, an EU agreement named after a small German town in which the original Prüm treaty was signed. Prüm is about the sharing, in strictly controlled circumstances, of DNA profiles, fingerprints and vehicle registration data with other countries in order to prevent and investigate crime.

Before I discuss Prüm in more detail, I wish to address concerns raised by the Home Affairs Sub-Committee of the European Union Committee about the Government's engagement on this matter. I apologise sincerely if we have left an impression of falling short of, or have actually fallen short of, what is expected of us. That certainly was not the Government's intention

and we sought to make that position clear to the noble Lord, Lord Boswell, and to the noble Baroness, Lady Prashar. The Command Paper we have produced is a document of great detail—it is some 250 pages in length—and quality, and I hope that noble Lords have had a chance to look at it properly. None the less, I apologise for those shortcomings and will endeavour to ensure that this does not happen again.

Let me now turn to the decisions contained in Prüm. It is important to be clear what Prüm is and what it is not. It is not—and this is an important point to remember—a centralised EU database. It is, instead, a system by which the front end of an existing manual process is automated so that more information can be made available for checking. This means that it would be quicker and easier for our police to check the national DNA, fingerprint and vehicle registration databases of 27 other member states, hugely increasing the reach of UK law enforcement. It is a system by which member states can find out whether a DNA crime scene profile is known to other countries, not after filling out manual forms, but automatically. It is a system by which the police, when arresting an individual, can ask other countries whether he or she is known to them by checking fingerprints. It is a system by which, in 10 seconds—rather than the months it can take at the moment—the police can find out details about a vehicle that is suspected of involvement in people trafficking. For DNA and fingerprints, Prüm responses are by way of a hit/no-hit system. Personal data are not exchanged as part of this process.

By way of example, for DNA, a crime scene profile is sent from one country to another, where it is automatically searched against the profiles held in that country's database. If there is a match, the requesting country receives a "hit" report back. At that stage, no information is exchanged that would allow a person to be identified. Prior to any personal details being released, all hits must be verified scientifically. In broad terms, this is the same system for fingerprints, too. Hits are reported within 15 minutes for DNA and within 24 hours for fingerprints. With Interpol, the same manual process means the average time to report a hit is more than four months.

The House will be interested to know that we have run a small-scale DNA pilot to test the effectiveness of the Prüm decisions. I am delighted to say that that saw an impressive 118 hits, generating investigative leads for our police. That is nearly double the number of profiles our police sent abroad for checking in the whole of 2014. Crucially for the police, this is leading to the arrest of foreign nationals, which would not otherwise have taken place. They include an Eastern European arrested on suspicion of attempted rape as a direct result of the pilot; he is now in custody. Other cases have seen extradition papers requested.

However, noble Lords will be pleased to hear that the Government have listened carefully to the civil liberties concerns expressed by some and will ensure that stringent safeguards are in place. The Government will ensure that other member states can search against UK-held DNA profiles and fingerprints only for those who have actually been convicted of a recordable offence, thus avoiding innocent British citizens becoming caught up in overseas investigations. We will also legislate to ensure that we provide demographic details only if the hit is of a scientific standard equivalent to that which is required to report a hit to the police domestically, meaning that the chances of a hit being wrong are lower than one in a billion, so almost eliminating the risk of false positives. We will provide demographic details relating to minors only if a formal mutual legal assistance request has been made. Finally, we will establish an oversight board that includes both the information and biometrics commissioners in order to ensure that Prüm operates in a just and effective manner.

We know Prüm to be an effective crime-fighting tool, and I have just outlined how we will make sure that it operates in a proportionate manner. It is for these reasons that I support us signing up to Prüm, and I commend the Motion to the House.

Baroness Prashar (CB): My Lords, I speak as the chairman of the European Union Home Affairs Sub-Committee which prepared the report to which the Motion in my name refers. For reasons that I shall describe later, the report has been prepared at great speed, and I thank all the members of the sub-committee and the staff both of the sub-committee and of the European Union Committee for their assistance. I also thank the Minister for his helpful introduction to the debate, and of course I accept his apologies. It is important that it should be recognised that there have been difficulties in terms of the scrutiny process.

The European Union Committee has scrutinised the UK Government's position in relation to Prüm decisions since at least 2007. We subsequently considered the decisions in the context of the UK opt-out decision taken in 2013 and again in 2014. We said that failing to rejoin the Prüm decisions would mean that UK law enforcement agencies would no longer have automatic access to relevant databases in other member states, thus hindering investigations and prosecutions. The Home Secretary committed the Government to revisiting the question of whether the UK should rejoin Prüm before the end of this year, and said that it would be a decision for Parliament.

On 18 November 2015, the Immigration Minister, James Brokenshire, stated that he did not have a specific date for the publication of the Command Paper or for the vote, but he also suggested that it would be helpful if the committee could report on the issues to help inform the two Houses. We took him on that suggestion. But having set us on this path, just a week later the Home Secretary laid the Command Paper and subsequently announced that a debate would be held in the Commons on 8 December and today in this House. The result was that we had barely 10 days in which to scrutinise a lengthy and technical Command Paper and to prepare our report, which was published on Monday this week. Having said that, I make it clear that we support the Government's recommendation that the UK should rejoin Prüm, and I am delighted to note that last night the House of Commons supported the Government's position by an overwhelming majority of 503 to 26. It should also be noted that senior law enforcement officers support rejoining Prüm.

[Baroness Prashar]

As the Minister has just said, Prüm allows member states to search each member state's fingerprint and DNA databases through an automated system, and to have direct access to vehicle registration databases. In the case of DNA and fingerprint searches, while the initial search will be automated, no personal data are exchanged unless the member state conducting the search makes a follow-up request.

The benefits of Prüm both in terms of public protection and operational matters are clear. Currently, law enforcement agencies may make requests for sharing fingerprint, DNA and vehicle registration data through Interpol. The current Interpol processes do not require a timed response and a simple request may take months to process. Last night, the Home Secretary made reference to a case in which West Yorkshire Police undertook an investigation through Interpol where it took two and a half months for a match to be reported. In the mean time, the investigation ran up costs of £250,000. By contrast, the automated processes under Prüm set out mandatory times for responding to searches: 15 minutes in respect of DNA, 24 hours in respect of fingerprints, and just 10 seconds in the case of vehicle data. This speed allows law enforcement agencies to target their follow-up requests for personal data, and these requests are more likely to be accepted. Because of the increase in speed, the UK will also be able to make many more requests than it would be able to do currently. The automatic exchange of data relating to criminal investigations could therefore assist in the identification of serious offenders who might not otherwise be detected. It will speed up the process of investigation by eliminating lines of investigation or establishing the identity of an individual much earlier. This will save on the length and cost of such investigations and could lead to earlier arrests, thus preventing further crimes.

Prüm would also increase the intelligence capacity of law enforcement agencies. The regular flow of data is likely to shine new light on otherwise unsolved crimes. At present, there is no effective alternative mechanism for investigating volume crime; that is, cases where one individual commits a number of crimes. Only through Prüm can the bulk exchanges of data be made which help to facilitate the investigation of such crimes. Evidence also suggests that Prüm can help law enforcement agencies to identify patterns of crime or criminal associations that would not otherwise be apparent. Moreover, in the wake of the dire attacks on Paris last month, we are particularly conscious of the need to fight terrorism. Those attacks have been a reminder that terrorists operate across borders; therefore an increased capacity to identify individuals as early as possible, to conduct investigations and to detect patterns of international crime is essential in this fight.

However, Prüm is not without risks. We are particularly concerned that UK citizens may be identified as suspects of crime in other member states on the basis of false matches. The implementation of Prüm is likely to result in massive changes in how law enforcement bodies process data. While this will greatly help the police, the volume of data exchanged must come with safeguards. We must ensure that there is a balance between law enforcement and the protection of civil liberties. We therefore support the Government's plan to implement safeguards.

We welcome the safeguard which would limit searches by other member states of fingerprints and DNA samples to those who have been convicted in the UK. The UK has the largest database of DNA samples in the EU. We believe that it is right that this and other biometric data should not be available for inspection by other member states in the case of UK citizens who have not been found guilty of a crime. The Government's proposal to adopt higher standards on the accuracy of DNA matches than the minimum stipulated in the Prüm decisions is also welcome. This will reduce the probability of false positives. We also support the additional safeguard requiring other member states to prove that they are investigating a crime of sufficient seriousness before the personal data of minors are shared. However, I ask the Minister for confirmation that the additional safeguards that the Government propose to implement will be consistent with Prüm, and will not lead to any infringement proceedings by the Commission against the UK in the European Court of Justice.

Finally, we recognise that the increase in the volume of data requests will have an impact on police resources and that there will be other costs. However, we believe that the additional burden will be outweighed by the benefits to law enforcement of rejoining Prüm. It would be helpful if the noble Lord could confirm that the cost of implementation is likely to be less than was originally anticipated.

The committee agrees with the Government's assessment, which is consistent with the views we have expressed over a number of years, that rejoining Prüm would be in the national interest. We therefore urge noble Lords to support the Government's Motion.

8.30 pm

Lord Paddick (LD): My Lords, as the noble Baroness, Lady Prashar, outlined, although the UK was previously party to the agreement, because this Government decided to opt out of all criminal justice co-operation with European partners in May 2014 and were ill-prepared to opt back in to it when opting in to many other criminal justice measures in November 2014, we are only now considering this measure. The right honourable Keith Vaz MP said in the other place:

> "Think of the number of criminals we could have caught, or potential terrorists we could have found if only we had joined a year ago".—[*Official Report*, Commons, 8/12/15; col. 924.]

Previously the Liberal Democrats had serious concerns about sharing fingerprint and DNA data because the police were retaining the fingerprints and DNA profiles of innocent people, some of whom had not even been arrested, let alone charged or convicted of an offence in the UK under legislation passed by the previous Labour Government. Because of the actions of the Liberal Democrats in the coalition Government, the Protection of Freedoms Act 2012 made the holding of fingerprints and DNA profiles of innocent people illegal, save in exceptional circumstances. Having deleted innocent people's records from the databases, we are far more relaxed about information contained within UK databases being shared with our European partners.

Of course, there will be profiles of those arrested and still awaiting charge, or awaiting court cases on the database, so we also welcome the fact that only the subsets of the database containing the profiles of those individuals convicted of recordable offences will be shared with other EU countries.

We also welcome the fact that the higher UK scientific standards to ensure far more accurate fingerprinting and DNA matches will be adopted, and that there is instant notification if there is a DNA or fingerprint match, but details of the person identified are shared only once a manual request for that information has been made and once both sides are satisfied that the relevant criteria have been fulfilled. The Prüm decisions will also allow instantaneous checking of foreign registration vehicle marks, as the Minister said.

I have some sympathy for the Home Secretary, who finds herself in a bit of a dilemma on this—on the one hand, apparently positioning herself as the leadership candidate of the right of her party, and, necessarily if she is to maintain that position, to be Eurosceptic, but on the other hand apparently claiming that UK citizens are safer within the EU. She said yesterday in the other place:

"Recent events in Europe, particularly in Paris, have highlighted a very real need to co-operate with other countries in order to keep citizens safe and to hunt down criminals and terrorists".—[*Official Report*, Commons, 8/12/15; col. 914.]

Can the Minister confirm what the Home Secretary said yesterday: namely, that the exchange of information that opting into the Prüm decisions enables will make UK citizens safer, that the Prüm decisions are a European Union initiative and, therefore, that the Government believe that the UK is safer as part of the EU than it would be outside?

With the additional safeguards that the Government are proposing, we support the opting in to the Prüm decisions.

Lord Blair of Boughton (CB): My Lords, I think this will be the shortest speech I have ever made. It is absolutely clear that the majority of the law enforcement community in the United Kingdom has been outraged by the decision of the Government not to be in Prüm. If we are to come back into Prüm, that is fine. It will save lives. End of.

Lord Boswell of Aynho (Non-Afl): My Lords, this has been a short but illuminating debate, and I had not intended to participate. I rise first to thank the Minister for his generous apology about the misunderstandings that have arisen. They are not the first ones with his department but we hope that we will now have a better basis for understanding. Particularly on a matter on which we are entirely at one with the Government, it is helpful to have that confirmation in good order. The by-product of this rather accelerated procedure was that I had to take, on behalf of the Select Committee, executive action to approve it in order to facilitate this debate and get the Government's timetable met as it needed to be. I regretted having to do that because we might have had more time for consideration of the issue. Of course, the merits speak for themselves in my view, perhaps subject to the safeguards that have rightly been called for.

Before making two other comments, I shall say, first, in generosity to my sub-committee chairman, that the noble Baroness, Lady Prashar, has devoted a great deal of attention to this matter. It is highly technical and the House should be grateful to her and her colleagues for their input, and for that of the staff to this. It is not a simple matter that comes off the page. I have two other simple points. First, as a lay person, I understand that this will really allow for information to be available automatically and in real time to police officers who may be going about their business catching criminals. Frankly, if they have to wait months for that information they might as well not bother, so it will make a critical difference to their operational effectiveness in being able to see where there is a potential problem, and build that in just as they have access to the police national computer for UK-registered vehicles. It is particularly sensitive in relation to the Irish land border, where I know this has been highlighted.

My second point, which I make advisedly, is that this may be very useful to the UK—which is a proper motivation—but it is also, subject to safeguards, very useful for our colleagues in other member states of the European Union in terms of meeting information requests for their own criminal activities and their own law enforcement. My own rather simple view after recent events is that the more we can do together to ensure the safety and security of our continent as a whole, the more it will be to our mutual benefit.

Lord Rosser (Lab): My Lords, it was just under two weeks ago that the Government announced their intention to ask both Houses of Parliament to agree that we should rejoin the Prüm decisions, which are two European Council decisions under which the police forces of the EU member states are able automatically to share DNA, fingerprint and vehicle registration data. Since this is necessary for participation in the Prüm decisions, the Government also seek agreement that the United Kingdom rejoin the framework decision on the accreditation of forensic service laboratories, which recognises the validity of DNA and fingerprint analysis from other member states.

As has been said, yesterday the House of Commons debated and agreed to the Government's proposal to rejoin the Prüm decisions. Would the Minister say whether there is a reason for the wording of the Government's Motion before this House appearing significantly different from the terms of the Government's Motion in the Commons?

The Home Office seems to have a poor record in the eyes of both your Lordships' European Union Committee and the committee looking at statutory instruments over the way that it prepares and progresses important legislative matters that require consideration by those committees. Today's matter is no exception. I was going to quote in full paragraph 2 of the introduction to the European Union Committee's report that we are also considering in the debate, which was published just two days ago, but in view of what the Minister said in his opening comments I will not do so. I will, however, quote paragraph 3 of the report, which was much shorter and stated:

[LORD ROSSER]

"It is deeply regrettable that the Home Office, following its mishandling of parliamentary scrutiny of its decision to opt into 35 justice and home affairs measures in late 2014, is now again treating parliamentary scrutiny in such a disdainful manner".

Whenever we draw attention to the strong concerns about the failings or attitude of the Home Office expressed in EU Committee reports or reports from the committee considering statutory instruments, we are usually told by the Government that they will take, or have taken, steps to rectify the situation. Clearly, whatever those previous steps have been, they have not made much difference. I will wait to see what the response is this time from the Government on what action they actually intend to take that they have not taken already to avoid such situations in the future. The Minister did not address this point in his opening comments.

We should, of course, be grateful to the European Union Committee for the work that it has done on the Prüm decisions and for the information it has provided to the House. The European Union Committee has scrutinised the UK's position on these decisions for the best part of a decade. In a report in the 2013-14 Session, the committee expressed concern that not rejoining the Prüm decisions would mean that UK law enforcement agencies would no longer have automatic access to relevant databases in other member states, hindering investigations and prosecutions—a concern supported, as the noble Lord, Lord Blair, said, by law enforcement advice.

The reason that the Government gave for not opting back into the Prüm decisions, along with 35 other Justice and Home Office measures, was because they had neither the time nor the money to do so. Would the Minister confirm that the sum of money we are talking about is just £13 million, which, frankly, seems a very low price for improving the security of our citizens—an improvement that the Government declined when they decided originally to opt out of the Prüm decisions?

We welcome and support the Government's change of heart. The last Labour Government supported the Prüm provisions and we opposed the initial opt-out from these measures during the previous Parliament. Like the noble Lord, Lord Paddick, I, too, wonder how many additional criminals could have been caught, or potential terrorists found, if we had not opted out of these decisions. Certainly the pilot exercise undertaken by the Government involving DNA samples from more than 2,500 unsolved British murders, rapes and burglaries being automatically checked against European police databases in four other countries made an overwhelming case to opt back in. They were automatically checked in a matter of seconds, minutes or hours, compared with months at present through Interpol, which currently hardly strengthens the hand of the law enforcement agencies in promptly identifying and apprehending those responsible for national and international crimes.

Even though the Government have decided to drop their "time and money" argument on the Prüm decisions—or is it nearer the mark to say that the Government have now decided to put enhancing national security ahead of deferring to their own Eurosceptics?—the Prüm application process and development requirements mean, as I understand it, that the UK will not be able to join before 2017 at the earliest. It would be helpful if the Minister could say a bit more about the timescale for giving effect to the decision that the Government seek tonight, including how long it is expected to take for the new arrangements under the Prüm decisions to become fully operational.

It is crucial that there is better and greater European-wide co-operation over the sharing of data and information, since criminals and terrorists do not recognise national borders when carrying out their serious and often lethal acts. There is a need, too, for safeguards to be established alongside these new arrangements as the Government propose, including against the potential for UK citizens to be identified as suspects of crime in another member state on the basis of a false match. It is also right that we send information abroad only about people actually convicted in the UK, although would the Minister say who will make the decision to share personal information if a match is made? We also support the appointment of an oversight board.

The safeguards are, of course, referred to in the lengthy business and implementation case. The Government's intention is apparently to incorporate several of these safeguards, where needed, into domestic legislation, although there appears to be nothing in the Prüm decisions that needs to be transposed into domestic law.

Will the Minister confirm that what I have said is the case? Will he also indicate when the expected domestic legislation covering the safeguards is expected to come before the House? Will he give an assurance that this House will be able to debate the adequacy or otherwise of these legislative proposals that are to be incorporated into domestic national legislation, and that these legislative proposals will be consistent with the Prüm decisions, as the noble Baroness, Lady Prashar, also asked?

The proportionality test is mentioned in the implementation case but does not appear to be in proposed draft legislation. Is that the case—and, if so, why? Will the Minister also give some examples of the kind of situations in which the proportionality test would prevent personal information from being sent abroad due to the offence under investigation being insufficiently serious?

The manner in which the Government have handled this issue is unsatisfactory, to put it mildly. Explanations are needed from the Minister in response to the comments of the European Union Committee and its blunt view, for which there is a lot of supporting evidence, that this episode shows that the Home Office,

"is now again treating parliamentary scrutiny in such a disdainful manner".

I appreciate the apology that the Minister has given, which makes the position a lot easier. However, I ask again that the Government now tell us what steps they are taking which they have not already taken to prevent a similar situation arising again, because this is not the first time we have been in this position. Frankly, I think that we have got past the stage at which words from the Dispatch Box are sufficient. I think that we need to know from the Government precisely what

they intend to do to prevent these difficulties that have occurred on more than one occasion in respect of Home Office matters and in respect of more than one committee of your Lordships' House.

However, I repeat that we support the Government's proposal that the United Kingdom should rejoin the Prüm decisions and the related framework decision on the accreditation of forensic service laboratories.

8.45 pm

Lord Bates: My Lords, I thank all noble Lords who have taken part in this debate. I particularly thank the noble Baroness, Lady Prashar, for moving her Motion alongside the one which I moved commending the decision, and for presenting the report of the sub-committee on home affairs. I also pay tribute to the work done by that committee in an incredibly short time, but with great thoroughness. That work is extremely helpful as we move forward.

I shall deal with the points raised by the noble Lord, Lord Rosser, under the broad heading of how we can improve the way in which the Home Office works with your Lordships' House and interacts with it in these matters. We have dealt with this issue before. The noble Lord, Lord Boswell, has been very patient with us and we have had a number of meetings with the clerks. We are conscious of existing commitments and the scrutiny of European decisions—matters contained in the *Companion*. We want to respect those, so those issues are improving at an official level. However, often this is a fast-moving situation, or it can be. For example, decisions on the speed of adopting the measure and on moving ahead at a quicker rate resulted from meetings of the Justice and Home Affairs Council which took place in November. Therefore, these are fast-moving areas but we want to improve our performance. One of the ways in which I believe we can do that is to have more meetings with the noble Baroness and the committee she chairs to discuss projects in the pipeline that are coming upstream. However, we are conscious that we need to improve our performance.

Lord Boswell of Aynho: That is a very helpful suggestion. I know from experience that where we have had informal discussions with the Minister's department that has been useful and has not led to any form of "producer capture" or any other potential moral hazard. It is important to realise that it is not simply a matter of fast-taken decisions at the end of the process; this is often preceded by a period of stasis where nothing has happened. As the Minister acknowledged, it would be very much better if we could have a reasonably easy flow of work and some advance heads-up as to things that are coming through, perhaps on an informal basis, so that we could plan our response and get the whole thing considered in a better timetable instead of this stop and start which has given rise to these difficulties in the past.

Lord Bates: I agree. I undertake that we will work hard on that. I realise that we will be held to account for our performance in these areas and it is right that that should be the case. As regards the point made by the noble Lords, Lord Paddick and Lord Blair, on why we did not do this a long time ago, we should also remember that what we are implementing now is perhaps a better approach, as set out in the Command Paper, because we have had the benefit of that year and of the business case implementation trial. As a result, we were able to come forward with a number of stronger safeguards. The noble Baroness referred to the one on DNA requiring 10 loci matches rather than six or eight, and that was accepted. There is also the provision of an oversight board and the particular way in which we are working.

There is a great piece set out in the Command Paper, which I urge noble Lords to consider, all about how the technical side of this actually works. One reason why the cost has fallen for an IT project is that the Government have not been idle since indicating that they wanted to join. They have been building the biometrics gateway, which means that now all we have to do is add on the additional element to connect with the different countries. That trial process of connecting with France, Spain and Germany enhanced that process significantly as well.

The noble Lord, Lord Rosser, asked who would actually look at the transfer of personal data. The answer is the National Crime Agency. In terms of the timing, we expect it to be operational by late 2017. In terms of legislation, affirmative resolutions will come before your Lordships' House. We have set out in the Command Paper what that draft resolution will be. But again, that is something that will be under review and will be brought forward, normally about six months before the point of implementation.

Another safeguard is the fact that we have the Biometrics Commissioner and the Information Commissioner, so people in this country will have the opportunity to appeal. If they feel that information is being released wrongly, they will have the opportunity to respond to that and seek redress. We have received funding from the European Commission of some €10 million towards the cost of implementing this.

The noble Lord, Lord Blair, asked why we were joining now. The answer is that we are opting in at this stage. If we had opted in last year with the rest of the justice and home affairs package, our systems would not have been ready and there was a real risk that we would have been subject to infraction proceedings for being unable to meet the performance criteria that are set out, which would have cost a great deal of money as well. That was another reason why that happened.

Lord Rosser: The Government gave their reasons for the Prüm decisions not being among the 35 as time and money. Is the Minister really saying that the cost was such that it prevented the Government opting back in to the Prüm decisions earlier? Is he really saying that a Government who were determined to opt in and stay in as far as the Prüm decisions were concerned could not have done so in less than five and a half years—or what actually is now going to be seven years—during which this Government have been in office?

Lord Bates: These are not easy issues. As the noble Lord will know, the Labour Government signed up to this in 2007 and did not even put pen to paper between 2007 and 2010 on the Prüm decisions. This is not

[LORD BATES]
straightforward. It is not as if we have not been doing anything. We have the ECRIS criminal records information-sharing scheme with our European counterparts. We have Eurodac, which is about border security. Of course, we have also signed up to the Schengen information-sharing system, Schengen II. These are all elements which further build the case, I am happy to say to the noble Lord, Lord Paddick, for how a key part of our security comes from working closely with our European colleagues. Sharing information of this nature will make us all a great deal safer. The fact is that we can do that in a European context, whereas when it comes to Interpol there are 189 members. The prospect of perhaps exchanging DNA-sharing databases with the Russians or one other member might be a little more difficult for us to propose in your Lordships' House. The reality is that there are safeguards there and we are working with our European colleagues. We believe that the system being proposed—

Lord Blair of Boughton: I am immensely in favour of the decision that the Government have taken, but is it reasonable to say that it will take another two years? I really do not understand that decision. If the Minister was able to do so, I would like him to write to me and to others to say why it will take two years from now. He was talking about late 2017. We have seen the events in Europe. Why cannot the Government now advance this at speed? Two years is simply an unsupportable position.

Lord Bates: I hear what the noble Lord says. I would be very happy to set up a meeting with officials from the Home Office technology team who are working on this to explain the complexities. They are in part technological but are also to do with how we interact on devolved matters with other parts of the United Kingdom, where there are some particular sensitivities and agreements to be reached, for example with the Police Service of Northern Ireland and the Police Service of Scotland. That is one reason why both those parties will be present on the oversight board. Rather than going into it here, it might be helpful to all concerned if that meeting were to be arranged. We could then hear and understand a bit more about the complexity of the task, which I am in no doubt is significantly complex.

We have set out in the Command Paper some of the processes that need to be gone through from a technical point of view but I am happy to set up a meeting so that we can assure ourselves that everything is being done, once the decision has been taken to implement this as quickly as possible. The European Commission also needs to undertake inspection visits to ensure that we are capable of meeting those stringent criteria so that that can happen. With all that, I am grateful none the less for the home affairs sub-committee's support. I am grateful for the contributions of Members of your Lordships' House and very happy to continue a dialogue on this, as we move forward to something which we all agree will improve the safety of the people of the United Kingdom and of Europe.

Motion agreed.

Prüm: UK Participation (EUC Report)

Motion to Take Note

8.58 pm

Moved by ***Baroness Prashar***

To move that this House takes note of the Report from the European Union Committee *The United Kingdom's participation in Prüm*.

Baroness Prashar (CB): My Lords, I thank all noble Lords who took part in the previous debate. I also thank the Minister again for his positive suggestions about how we can improve the scrutiny process, and welcome his suggestion of having a meeting to discuss the delay and why it will take until 2017. That will be extremely helpful. I beg to move.

Motion agreed.

Welfare Reform and Work Bill

Committee (2nd Day) (Continued)

8.59 pm

Clause 15: Universal credit: work-related requirements

Amendment 53A

Moved by ***Baroness Manzoor***

53A: Clause 15, page 14, line 30, at end insert—

"( ) in section 14 (claimant commitment), after subsection (5) insert—

"(6) In preparing a claimant commitment for a claimant, the Secretary of State shall have regard (as far as practicable) to its impact on the well-being of any child who may be affected by it.""

Baroness Manzoor (LD): My Lords, in moving Amendment 53A, I will also speak to Amendments 53C, 54, 55, to which I have added my name, and 62A. I apologise that I have so many amendments down but they have all fallen into one group, quite rightly, and I shall try to be as quick as I possibly can. However, they are important amendments.

Clause 15 marks a step change in the introduction of conditionality. For the first time, carers—who are usually women—will be required to work before their children are of compulsory school age, so before they are five. This amounts to around 220,000 carers, of whom over 75% are single parents, according to the impact assessment on the Bill undertaken by the DWP. It must also be noted that 64.4% of single parents are in work, so this is not about parents not wanting to work. Under Clause 15, the carers of three and four year-olds will be subjected to full work conditionality requirements, such as "work search", which includes making applications and creating and maintaining online profiles. In addition, they will have the work availability requirement and must show that they are able and willing to take up paid work. Carers will also be subject to the full universal credit sanctions regime, which includes loss of benefits. That will initially be for a period of 13 weeks, but sanctions can be imposed for up to a maximum of three years.

Gingerbread, which, as we know, represents single parents, agrees that it is therefore imperative that protections are put in place at jobcentres to ensure that the requirements imposed on these jobseekers by caseworkers are reasonable and flexible, to take account of caring and well-being responsibilities—this is not just about the caring element but the well-being of these children. A recent Citizens Advice report on the early implementation of universal credit has highlighted that although the claimant commitment should be a two-way conversation between a work coach and the universal credit claimant, many claimants did not feel this was the case. A third of the claimants surveyed had a caring responsibility, a health condition or a disability. More than 57% of this group reported that their circumstances were not taken into account when the claimant commitment was drawn up. Somewhere along the line, communication was lost.

The protection of children's well-being in the drafting of a claimant commitment is written into the Welfare Reform Acts of both 2009 and 2012 but the provisions have yet to be commenced. My Amendment 53A seeks to introduce the same provision into universal credit and to probe the Government on why such a provision appears to have been dropped completely in this Bill. Can the Minister also say what adjustments will be made in the rules governing these parents, including what consideration will be given to the well-being of their children, and confirm that proper monitoring of this will be carried out?

Amendment 53C addresses the number of hours that carers of young children are reasonably expected to work. Regulation 88 of the Universal Credit Regulations sets out the number of hours a claimant is expected to spend searching for work or take a job for. This is normally 35 hours, but single parents with a dependent child under 13 years of age are allowed to limit the hours they work to their child's school hours. My probing amendment is intended to explore what plans the Government have to alter Regulation 88 with regard to the hours of work search and job availability required of parents of pre-school children. The amendment proposes that those hours should reflect the hours of free childcare the parent is entitled to. Within that, one has to take account of the time the parent spends taking a child to nursery or childcare and collecting them, and therefore the time they are available for job search et cetera.

This is really important. As a mother of two children with a husband, I know how difficult it can be for somebody who is in a relationship with the father. How much more difficult must it be for a single parent? This amendment also highlights that there are issues around the differences in the availability of childcare across devolved Governments. I thank Gingerbread for helping to highlight some of these issues. I agree with it that we should make explicit in the Bill that parents of children aged three and four—think about this; at three and four these children are almost babies—should be expected to look for and be available to work only in those hours that reflect legal entitlement to free childcare for children aged under five available to parents in England, Wales and Scotland.

My Amendment 62A would require a review of the application of work-related requirements to parents of children under five to be carried out within 18 months of the commencement of Clause 15. It is really important that there is monitoring of the reasonableness of the instructions and actions set out in the claimant commitment, particularly as the failure to comply will have a significant financial consequence on these families with young children. We have talked about reviews and we have not heard much that is positive on evaluation but it is really important to have some put in place to see what impact these policies have.

I support Amendment 54 in the names of the noble Baroness, Lady Sherlock, and the noble Lord, Lord McKenzie. The amendment is important because if there is no suitable or affordable childcare, a single parent should be exempted from Section 22(1). That is only fair and logical.

Amendment 55 is in the names of the noble Baronesses, Lady Meacher, Lady Pitkeathley and Lady Hollins, as well as mine. If accepted, it would mean that responsible carers of disabled children aged three or four will be exempt from the provisions of the Bill unless appropriate childcare for these children can be secured. That is really vital. According to the Family and Childcare Trust's annual report of 2015, 21 local authorities in England identified a shortage of places for three and four year-olds in their most recent childcare sufficiency assessments. If the child is disabled, the problem of finding appropriate childcare is further compounded. How is this issue likely to be addressed in childcare funding and provision? I beg to move.

Lord Kirkwood of Kirkhope (LD): My Lords, my noble friend has made my task much easier because she laid the ground very well. I am also grateful to Gingerbread for drawing this matter to my attention. This is a very important issue, not merely—as I will turn to in a minute—for the impacts to which my noble friend just alluded.

Following the spending review Statement, I am concerned that another million claimants will be brought into universal credit as it is rolled out in future. As the department knows, I am very conscious of changes to universal credit and anything that makes it harder or worse needs to be guarded against. I am now very concerned about the toxic effect of sanctions. As my noble friend just mentioned, we may get a public reaction to individual circumstances, particularly those of lone parents with three and four year-olds, that will prejudice the public against the whole idea of universal credit. That is a real and present danger, and I want to share that with the department. I hope it will reflect on it carefully. The numbers involved may be relatively small in terms of the 7.7 million households that universal credit seeks to serve but the more than 200,000 carers with three and four year-olds is a vulnerable group.

I declare an interest in that I recently became a grandfather. I am really too young to be a grandfather, but I have recently remembered how difficult it is to have young people—as my noble friend drew the Committee's attention to a moment ago. So this is an important tactical and political problem, as well as a personal one, in terms of the people UC seeks to serve.

[Lord Kirkwood of Kirkhope]

I can deal with this amendment quite briefly, because the only difference it makes to what my noble friend was saying is that, for the reason I have just mentioned, I think this is so important that I want to put it in the Bill. I am pretty long in the tooth as a legislator and know how difficult that is to justify. But it is so important to get the conditions right to make this work that it should be in the Bill—and nowhere else will do. It is right to say that the essential conditions to make this work are those where childcare is suitable and affordable. If we do not do that and guarantee it, the claimant with the three or four year-old will find it impossible to prioritise a work/life balance that makes sense for the family as a whole, as they can with the status quo. The work requirement, with a three or four year-old, particularly for single parents, is tough. It is tough anyway, but it is particularly tough for someone in those circumstances.

Perhaps most importantly, coming from Scotland as I do, is that the Government have no way of knowing what the government provision for childcare north of the border will be by September 2017, or at any other time. We are having interesting discussions in the run-up to the May elections in Scotland. We do not know what the Government will do and all the parties are making competing and conflicting claims. However, what the DWP cannot say with any certainty is that there will be a guarantee in Scotland for the increased childcare that may be available in other parts of the United Kingdom. That is a very important point, which will not have been missed by some of my SNP colleagues north of the border—so there is a political point that the Government need to be careful about.

I mentioned briefly earlier the pressure on Jobcentre Plus staff, with the departmental expenditure limit cut and the cuts on top of cuts. The noble Lord, Lord Freud, dealt with that reasonably well. I understand his point that back-office functions can be released. I saw some of that in Glasgow 10 days ago and was impressed. The decision-maker I was talking to explained that he is obliged to follow the rulebook and the information available to him at the time. Because he is an experienced hand and is trying to do the best he can, he often knows that the information available is incomplete. However, in the absence of the information they need about the quality and availability of childcare, staff are obliged to issue sanctions. I know there is a yellow-card system in place and will be interested to see how that goes.

The question that I want the Minister to reflect on concerns a case that would be caught under these new rules. A claimant went to a provider with whom she was comfortable, and the provider said, "Yes, you can have some of this free time, but it's three hours before working hours start and three hours after working hours finish", which is absolutely useless to anyone. So the ability of providers to fit the individual, hourly need for some of these claimants is very difficult. It is that kind of situation, where sanctions could be applied in a way that defies any kind of common-sense approach, which we are facing here. The only way I can see to guarantee that this will not have unintended consequences is to put it in the Bill. Amendment 53B in my name seeks to do that.

9.15 pm

Baroness Sherlock (Lab): My Lords, I shall speak to Amendments 53D and 54, which are tabled in my name and that of my noble friend Lord McKenzie, and in support of the other amendments in this group. As we have heard, DWP currently expects lone parents and the main carer in a couple to be available for and seek work when their youngest child turns five. The noble Baroness, Lady Manzoor, explained how quickly lone parents have found themselves moving up the scale in terms of conditionality. In 2009, under the previous Government, a single parent whose youngest child was aged 12 was moved over to JSA, but in 2012 they were required to be available for work when their youngest child was five. It is a very big step to move towards parents of pre-school children having to be available for work. It is not just that they will have to be available for work when their youngest child turns three. When the youngest turns two, they will be subject to work-focused interviews and work preparation requirements, and when their youngest is one, they will be subject to work-focused interview requirements. At one, a child is a baby.

If the Government are going to push mothers of very young children into work and work preparation, they need to be a lot more convincing about the availability and affordability of suitable childcare than they have been in this House in recent months, certainly when the House was discussing the Childcare Bill. There is no evidence that lone parents do not want to work. All the evidence shows that as their children get older, their employment rates rise significantly. I read again the impact assessment for this clause. To the question about why you would do this, the answer was that where there is conditionality, mothers are more likely to work; parents of young children are less likely to work; ergo, if you put conditionality in, they will be more likely to work. That presupposes it is always a good thing.

I want to explore that a little more, which is why I have put my name to the stand part debate on this clause. Amendment 53D would provide that work search and work availability requirements were limited to work that was in a location which is within a reasonable travelling distance of the claimant's home. Amendment 54 would provide that parents or carers of children under five would not be sanctioned unless suitable and affordable childcare was available. At present, universal credit claimants can limit their job search activities to work that is a maximum of 90 minutes' travel away. That is still three hours a day in total.

Advisers at jobcentres are under no legal obligation to consider caring responsibilities for young pre-school children when setting the geographic distance that a parent is expected to travel to work and in which to search for work and when considering whether sanctions should apply where a claimant has chosen to limit their work search to job vacancies nearer than that or has failed to apply for a job because of its distance. The matter is left to their discretion in individual cases. Over the years, I have repeatedly raised with Ministers concerns about the way that discretion is used by advisers with parents of children. All I ever get are bland assurances that each case is looked at

individually, that there will be an individual claimant commitment and that every person's circumstances are taken into account, but growing concerns are being expressed that advisers either do not understand or are disregarding the realities of life as the sole or main carer of young children.

At the moment, single parents are meant to be able to limit their working hours to the school day, but I have heard complaints that advisers have been telling parents to apply for jobs which start and finish at the same time as the school day. Parents have had gently to explain to the young person in the jobcentre that you cannot generally send a five year-old to walk to school on his own, even, perhaps especially, if he thinks he is more than capable of it. The logistics of life can be very complicated. Let us think about the logistics for a parent who has two children at different schools, or one at a pre-school or nursery and another at school. The parent has got to get them to and between the schools, go to work and come back and pick them up at the end of the day. These things seem obvious, but they tell us why we need statutory guidance for advisers, because I hear of so many cases where these things are ignored. I have been told of lone parents expected to look for jobs in London when they live in Brighton or vice versa.

The charity Gingerbread—and I declare an historic interest, as once upon a time I was the chief executive of the National Council for One Parent Families, which merged into what is now Gingerbread—says that it is excessively harsh to require parents of children who are too young to be in school to leave their children in childcare for up to three hours extra per day due to travel to and from work and it fails to take account of the welfare of children. Indeed it does. Young children get very tired, as well as the parents. School days are long. When you first go to school, it is a long day, and it is tiring. To be in childcare away from home for three hours outside of the school day is a lot. Kids need to relax sometimes. They do not need constantly to be in formal childcare settings.

There is also the question of the availability of childcare, which was raised by the noble Baroness, Lady Manzoor, and the noble Lord, Lord Kirkwood. The Government assure us that there is extra childcare for parents of under-fours. During the passage of the Childcare Bill, there were a lot of questions about whether there is enough funding available to provide for that. I gather that the Government have said that they have £365 million to fund 30 hours a week of childcare. We know, to our cost, that during the last election Labour committed to providing 25 hours of free childcare a week for the same age group in its manifesto, and the Conservative Party announced that that would cost £1.25 billion. If it would cost £1.25 billion to fund 25 hours a week, how can one possibly fund 30 hours a week on just £365 million? Therefore my question to the Minister is, is she confident that enough money is available to roll that out before these requirements are placed on any single parent?

Single parents also struggle to get advisers to agree what is reasonable. One single parent, who could not get the jobcentre to agree with her as to what was reasonable, said:

> "I've been looking for work pretty much since he left me … but I find it hard to fit things into her pre-school hours. I looked into one job and the nursery couldn't offer me the extra hours. If I had got the job it would have meant my child going to three different providers. How can you put your child through that? My child has been through so much turmoil already … it is not fair on her".

It is not fair. That is why we need the clarity that childcare must be suitable as well as available.

These amendments in my name and that of my noble friend Lord McKenzie are designed so that the detail can be provided in regulation, but it must be on a statutory basis. Will the Minister therefore agree that regulations will make clear that parents will not be sanctioned when no suitable childcare is available, and that parents have a statutory right to have their responsibilities for children properly taken into account by jobcentre advisers when considering the distance a parent of preschool-age children should be expected to travel in search of work? It is important that that is specified, either in the Bill, as the noble Lord, Lord Kirkwood, has indicated, or at the very least in regulations.

My final question to the Minister is: what is the Government's thinking about balancing the importance of parents working with the needs of children? Mothers do jobs as well; raising children is work and is arguably even more important than whatever job the parent gets paid to do. If the conditionality works, why not require parents with babies to go out to work? That might sound ridiculous, but I went to visit welfare to work programmes in the United States a few years ago. I visited what I regard as very good programmes and other programmes, in one state, where the parents of children that had turned three months old were expected to put them, if necessary, into unregulated day care and go out to spend 40 hours a week either in work or simply in work-preparation activity. Therefore there are precedents elsewhere.

I consider that at some point we have a responsibility for the children. The right reverend Prelate the Bishop of Durham mentioned in a debate on an earlier amendment the importance of cognitive development in young children. We see differences opening up very early on between children in poor families and in other families. It is important in this that we get the balance right between the interests of children and the economic activities of the parents.

Baroness Meacher (CB): My Lords, Amendment 55 seeks to ensure that the work-related requirements or benefit conditions under universal credit will not apply to the carers of disabled children aged three and four unless appropriate childcare for these children can be secured. I recognise that several noble Lords have already referred to these conditions.

Many carers of disabled children aged three or four will not be subject to benefit conditionality anyway. Responsible carers who receive the carer element will fall into the "no conditionality" group in universal credit, which of course I applaud. This means that parents of children who receive the middle or highest rate of disability living allowance will be in the "no work-related requirements group" and will therefore not be subject to the conditionality this clause introduces.

[Baroness Meacher]

Government will therefore probably feel that there is not a problem, but in fact there are two reasons why there is a problem. One is that several thousand families with disabled children under five which receive DLA will not be exempt from the conditionality requirements due to difficulties in identification of need during the early years and administrative delays in processing claims which are wide-scale and well known. In addition, I understand that the majority of families of children under five do not have access to DLA at all. More than three times the number of children aged five to 11 receive DLA as children aged nought to five. A large number of disabled young children under five do not receive DLA but then their families go on to claim it when they are older.

The other concern is that, with the move from DLA to PIP, fewer children will be eligible for the benefit, and these numbers will grow. To date, the introduction of PIP has not achieved the Government's required drop in the number of eligible children to achieve the required savings, therefore the eligibility criteria will, I understand, be tightened. All this will mean that more families with disabled children will be subject to benefit conditionality and the sanctions associated with it. Amendment 55 would go some way to ameliorate the consequences of the PIP change by broadening the exemption from the conditionality requirements to include children in receipt of a statement of special educational needs and its replacement, the new education, health and care plan, which is designed to run from birth for those who need it. Under the amendment, the exemption could also include those with "child in need" status, as defined by the Equality Act.

The availability of suitable childcare for disabled children is also a serious problem, as others have already mentioned. Of course, the Government's increase in the number of hours of free childcare from 15 to 30 is incredibly welcome, but I hope that the Minister agrees that the legislation needs to make it absolutely clear that if suitable childcare is not available then the conditionality requirements simply must not be applied.

With regard to the parliamentary inquiry into childcare for disabled children, two-fifths of respondents with three and four year-olds said that they were not able to access even the 15-hour entitlement. I repeat: two-fifths of respondents. What will be the proportion of those unable to access 30 hours of childcare? I understand that the shortage in childcare provision is backed up by the Government's own findings. Perhaps the Minister would like to confirm that.

My concern is that the situation could well deteriorate due to the financial squeeze on local authorities. To make childcare work for parents of disabled children, there must be sufficient financial support for local authorities to develop an adequate workforce and general support for these facilities. I realise that the issue of appropriate childcare for this group was raised during debate in your Lordships' House on the Childcare Bill, and I would appreciate an update from the Minister on developments since then. Does the Minister agree that it cannot be acceptable to sanction carers of disabled children, generally parents, who choose to care for their disabled child at home—for the most disabled children, this may be the only feasible option—rather than work, or indeed who feel obliged to do so due to the lack of adequate childcare?

I thank the noble Baronesses, Lady Pitkeathley, Lady Hollins and Lady Manzoor, for adding their names to this amendment and I am grateful for the contribution from the noble Baroness, Lady Manzoor. I appreciate that the Minister is under great pressure to achieve all the cuts envisaged in the Bill, but I hope that he can recognise the absolute reasonableness of this amendment.

Baroness Grey-Thompson (CB): My Lords, I shall speak to Amendment 56, which is in my name. Its purpose is to require Jobcentre Plus staff who are drawing up the claimant commitment to specifically address whether the claimant has a long-term health condition or impairment and, if so, what reasonable adjustments are required.

I believe that this amendment is necessary. It may be assumed that, if someone is claiming JSA or its equivalent in universal credit, they do not have a long-term health condition or impairment that affects their day-to-day functioning and limits their jobseeking. However, the descriptors for the work capability assessment to decide whether someone is fit for work mean that many people whose day-to-day functioning is quite significantly affected are found fit for work and have no other option but to claim JSA or the equivalent in universal credit. They may have considerable limitations on the ways in which they can job search. For example, someone in their late 50s who has emphysema and can walk only 100 metres is likely to be found fit for work but, if they live a mile away from the nearest computer that they can use or a mile away from the nearest bus stop, they are likely to have considerable difficulties in logging on to jobmatch or in going to the jobcentre.

When that is not taken into account in their claimant commitment, sick and disabled people find themselves being sanctioned because they have not been able to comply with the conditionality. One client of Citizens Advice had a knee injury and was awaiting surgery to reconstruct the knee. He was attending frequent appointments with a physiotherapist at the hospital. He also had a mental health condition and had been having suicidal thoughts, so he also had regular appointments with a psychologist. His WCA found him fit for work, and he claimed JSA while appealing this decision. His job coach told him that he had to sign on weekly. His ex-wife had to take him each week, otherwise he would not have been able to get there. His job coach then decided that he would have to come in every day. He explained again about his knee problem but was warned that if he did not come in he would be sanctioned.

At that point his ex-wife, who had brought him, could see that he was really struggling with his anger and agreed with him that he should leave, despite realising that this would mean he would be sanctioned. Part of his mental health condition was that he was having anger management issues. He was not sanctioned because, before this could happen, the adviser managed to get the decision-maker to accelerate the reconsideration. The fit-for-work decision was overturned and he was placed in the support group.

9.30 pm

I recently launched a research report called *Waiting for Credit*, published by a group of Citizens Advice local offices, which looks at the delivery of universal credit. I hope the Minister has had the opportunity to read it. Four in 10 respondents to the survey who identified themselves as disabled or having a long-term health condition said that that condition or impairment had been taken into account when their claimant commitment was drawn up. Some made really positive comments about the support they had received, but about five in 10 said that their health condition or impairment had not been taken into account. The following comment by one of the respondents reflects the feeling of many in this group who left comments:

"They have kept threatening me that I need to do more and don't want to know about my medical condition and why I can't do what they want".

Many Jobcentre Plus advisers do not seem to accept that someone who is not claiming ESA or its universal credit equivalent can have a long-term health condition or impairment that needs to be taken into account. Their reaction is to ignore any mention of a health condition, and if a claimant insists that they need some adjustments to their claimant commitment, they tell the person to claim ESA.

This had serious consequences for a CAB client who had been working 20 years as a machine driver before suffering a heart attack. After 14 weeks off sick, he was keen to resume work. He still had angina and was not fit enough to return to his former job, so he claimed JSA. His GP was happy for him to resume light work, as long as the hours were limited. However, his job coach kept pushing him to apply for unsuitable jobs and said he was not trying hard enough. When the client refused to apply for a job 23 miles away that involved heavy lifting and working 46 hours a week, he was told he would need to claim ESA. He claimed ESA and was refused. It was awarded on appeal, but during the stress of all this he had become increasingly depressed. When he then received a DWP letter saying it was challenging the tribunal decision, he went missing for three days and was found in the woods by the police. He is now being treated for depression and has had a further heart attack.

Once the digital service is rolled out and income-based ESA is no longer available in a given area, a claimant will have to claim universal credit instead and will be in the full work-related requirements group until they have a WCA. This protection will be even more necessary then.

An amendment similar to this one was tabled during the debate on the Welfare Reform Bill in 2011, when the Minister, the noble Lord, Lord Freud, said the following:

"Of course, for those claimants required to look for work, where it is appropriate to place limitations on work, search and availability requirements, this will be properly reflected in the claimant commitment".—[*Official Report*, 24/10/11; col. GC 225.]

It is of course accepted that it is government policy that reasonable adjustments should be made, but what happens in a local office is often rather different from the policy intent. It is now clear that more protection is needed.

Good training of Jobcentre Plus officials in this area is clearly vital. However, by addressing this issue, a statutory part of drawing up the claimant commitment is impossible to ignore, and there is a much stronger possibility of any reasonable adjustments being properly considered.

The Lord Bishop of Durham: My Lords, I encourage the Minister to at least agree to go away and think very seriously about these amendments. The paramountcy of the welfare of the child, I am sure, we are all entirely agreed about. We know that the first two years of life are absolutely crucial to long-term life chances. The next two years matter as much again. So how we behave towards children in the first four or five years of life, before they go to school, is the most significant factor in their long-term life chances.

A crucial part of this is the child bonding with the parent or parents, and family stability. We will all have spoken to parents who are doing an extremely good job, and who feel deeply pained and anguished as they decide to return to work part time, because they believe that will be best for their child and for themselves. Yet it is not an easy decision to make, because many of them would prefer to be at home with their child full time.

So, closeness of work matters deeply. It would be entirely unreasonable to ask a parent of a three or four year-old to travel too far, as has already been noted. The clause is designed to help to think through the paramountcy of the welfare of the child and, equally, the availability of good, suitable, affordable childcare. We accept that provisions are coming, although there are concerns about how they will be paid for. If a parent feels that the childcare is good, they feel better; they have a sense of well-being, which they pass on to their child, and the child itself feels better in that provided childcare. However, if a parent is uncertain about the level and standard of childcare, they are very anxious. They pass that anxiety on to their child, which damages the child's welfare.

In the drive to encourage people to return to work, which most support fully, great care must be taken that, in that drive, the balance is not tipped towards a lack of parent/child contact that will actually lead to diminishing the child's life chances, and thus have the exact opposite impact to the intention of this Bill. My deep concern is that without serious safeguards in the Bill there is a danger that we will place children at risk when we intend to place them in safety. We must ensure that the proper and right relationship between the parent and the child is not overstretched by the provisions in the Bill.

I hope that the Minister will be prepared at least to agree to go away and consider the amendments in the light of the possibility that they might be better for the welfare of the child than if they were not in the Bill. Will the Minister be prepared at least to take time to consider whether these might be in the best interests of the child?

Baroness Pitkeathley (Lab): I shall speak to Amendment 55, which was so ably spoken to by the noble Baroness, Lady Meacher. Earlier today, many hours ago, my noble friend Lady Lister reminded the

[Baroness Pitkeathley]
House that caring for people is part of how society works. Nowhere is that more true than those parents who are looking after a disabled child. So the proposed changes on conditionality for responsible carers, which would see carers with a child aged three or four being allocated to the work-related requirements group—requiring them to look for, and be available for, work—are of great concern.

Many parents and carers of disabled children aged three to four will be unable to fulfil these requirements because, as we have heard, there is a great lack of childcare for disabled children. Research shows that only 21% of local authorities say that there is sufficient childcare for disabled children in their area, a situation that is bound to get worse with the cuts to local authority funding. A recent Contact a Family survey showed that only 60% of parents with disabled children were able to fully access the current entitlement of 15 hours' free childcare every week.

As we have heard, while carers of children in receipt of the higher-rate or middle-rate care component of DLA are exempted from these requirements, many children under five do not receive the benefit anyway because of the time taken to identify that child as disabled. Speak to any parent of a disabled child and they will tell you a long saga of how long it took to get a diagnosis, with administrative delays on top of that, so it often takes years to get that identification. Surely the carers of disabled children under five should be exempt from the additional conditionality unless appropriate childcare is available.

When this was debated in Committee in the Commons, the Minister agreed that appropriate childcare was critical—I emphasise again, childcare appropriate for children with disabilities—and I hope that the Minister today will be able to give an undertaking that the condition will not apply unless appropriate childcare is available.

Baroness Hollis of Heigham (Lab): My Lords, I would like to come back to some of the points that we raised in earlier discussions and support the amendments of my noble friends.

The noble Baroness, Lady Stroud, was absolutely right when she made the point that we do no kindness to lone parents if they are bumping along at the very bottom; they want a job, a career and, in time, progression. That comes only if they have resilience in their individual jobs, if they stay in work and if they are able to make a commitment to their employer, which the employer recognises. However, with tax credits, we found that half of all lone parents had more than 12 changes of circumstances a year. As we did not have the real-time information that will underpin universal credit, the tax credit system never caught up and the computer would topple over.

Virtually all those changes of circumstances—more than 12 a year for more than 50% of lone parents—were based on childcare. For example, every half term and every holiday they had to have different childcare arrangements, but childminders want a particular pattern of work. The result was that we found that a lot of our efforts to get lone parents through the new deal into the labour market broke down over the issue of childcare. It could be affordable and it may even be available, but it may not be responsive to the needs of the parents and the child. All children are different. You cannot assume that because one child thrives at the age of two or three in a playgroup, another child will—they may not. Speaking from my experience with my own children, I know that it is not like that.

We found that what created resilience for lone parents to hang on in there in the labour market when their children were of pre-school age—this was the basis of the New Deal—was if they trusted their childcare and did not feel guilty about it. As one lone parent said to me, "I feel bad about leaving my child with strangers". With a stranger, you cannot be sure that if the child starts running a temperature they will be taken to the GP, or whether they will be cuddled if they are fretting. Anyone who has been a mother will know that those sorts of things are part of the fabric of bringing up small children. The result was that the one childminder of choice who freed the lone parent from the guilt of working, and allowed them to respond to the problems of half terms, summer holidays and so on, was her own mother—the grandparent.

Certainly that was the case in my life, when it came to appropriate financial support arrangements and all the rest of it. That was the way that many of us in that generation were able to work while we had young children. Increasingly, however, we are pressing those same women—the grandparents—to stay in the labour market, because their pension age is being deferred later and later. We are therefore taking them out of the support network that alone permitted a generation of lone parents to go back into the labour market. I do not think that the Government have put together all the pieces that they need to in this jigsaw.

The Minister probably will not have the stats to hand, but perhaps she could write to us and tell us what the resilience of lone parents with small children is in holding on to work, particularly when they have been pressed into the labour market under the regime for children over the age of three and, increasingly, the age of two? There is no point in having a churning door: they are in work for six weeks until half term and then drop out; they then have to go through the whole jobcentre process, find another job for six weeks and then drop out again. What is their resilience and staying power? What is it that permits them to go to work and have confidence that their child is being well looked after in a way that they themselves would look after them? It usually means their own mother looking after the child, which makes them feel that they can progress in their job because they can stay in it.

I very much agree with almost every word that the right reverend Prelate said. I suspect that if you go into this too casually, focusing on trying to get the lone parent into the labour market without understanding the dynamics of childcare, guilt and resilience, all you are going to do is add to parental misery and not lift parents and children out of bumping along the bottom of the economic plateau.

9.45 pm

Baroness Lister of Burtersett (Lab): My Lords, I will briefly support what my noble friend and the right reverend Prelate said, because there is research that

bears out what my noble friend has just said. It was carried out at the University of Bath by Professor Jane Millar and Tess Ridge. They talked to both the children and the parents— lone mothers who had gone back to work. We are talking about slightly older children, of course. They said that for many families, the lone parent moving back into paid work did make life better. They got more money, the children felt better and so forth. But the findings also showed that,

"lone mothers' aspirations for financial security were not always congruent with the reality of employment in low-paid, sometimes insecure work … For some children the challenges and costs of their mothers being in work were thrown into sharp relief by the accompanying low pay, uncertainty and insecurity of work. For these children work had held out the promise of something better and that promise had not been kept, so they experienced disappointment, and for some, an apparent loss of confidence in the value of work".

I am sure that that is not what the Government are trying to achieve.

The report went on to say:

"Mothers' experiences of establishing themselves as working families were marked in many cases by continuing low income and financial insecurity … Enhanced in-work support; increased reward from work coupled with adequate support when employment fails; flexible employment conditions and improved childcare options based on children's own identified needs and preferences, are important prerequisites for successful lone mother employment and work-life balance. Otherwise increasing compulsion to work may result in greater uncertainty, stress and instability for children and their families".

Baroness Drake (Lab): My Lords, I will be very brief. I am concerned, having heard noble Lords articulating their concerns, that a particular omission is not missed. My noble friend Lady Sherlock and the noble Lord, Lord Kirkwood, and all other noble Lords, have articulated very clearly the concerns about balancing the needs of the child and the need for employment, and the importance of appropriate childcare. I just want to return once again to kinship carers.

Although the Welfare Reform Act 2012 exempts kinship carers from work conditionality requirements for a year after they take on the care of a child, ongoing, the young children that these kinship carers take on may still have very severe needs and insecure attachments such that suitable and appropriate childcare is really quite difficult to find. I just want to make sure that, in the Minister's considerations, the need for kinship carers not to be sanctioned in those circumstances is not omitted.

Baroness Evans of Bowes Park (Con): My Lords, I thank all noble Lords for their contributions to this debate. The House understands the importance of the conditionality framework, underpinned by reasonable requirements, in encouraging parents to return to work. Achieving full employment is a key ambition of this Government, one I believe that we all support. Great progress was made in the last Parliament to increase parental employment, particularly with lone parents. However, more can be done. A fifth of all workless households are lone-parent households and a quarter of workless households contain dependent children.

We know that children with working parents are less likely to be in poverty and benefit from increased life chances. Work is the best route out of poverty and will ensure that children grow up in a stable environment where they are more likely to succeed. The Government believe that more can be done to support all parents with young children as they prepare for and look for work. This is why we are introducing this clause and increasing both work coach and childcare support. From April 2017, parents, including lone parents, claiming universal credit, as discussed, will be expected to look for work when their youngest child turns three, and to prepare for work when their youngest child turns two. I remind noble Lords that Clause 15 changes conditionality for all responsible carers of children aged three to four in universal credit. As the noble Baroness said, this applies to both lone parents and the lead carer in a couple.

Before I turn to the detail of the amendments, perhaps I may briefly set out some of the context within which this clause is being introduced. In terms of the wider welfare reforms, as we have heard, the Government are investing in an enhanced childcare offer that will see spending reach more than £6 billion by 2019-20, including the investment of more than £1 billion more a year by 2019-20 in free childcare places for two, three and four year-olds.

A number of noble Lords have expressed concerns about the capacity of the sector. We have already seen its capacity to grow in its ability to offer the additional places for two year-olds and fulfil the previous free childcare offer, so we are confident that it will be able to rise to the challenge and produce the quality childcare places that are needed. We have a number of consultations ongoing, including a review of early years funding, which is obviously a key issue for the sector. As I say, the consultations are ongoing so we do not have the results yet, but I can certainly look into giving noble Lords an update on where the deliberations have got to, because the Bill is currently in the other place.

Again, the additional 15 hours of free childcare is just one element of a more comprehensive menu of support, including the universal childcare element, which will cover up to 85% of eligible childcare costs from April 2016. This will be available for parents working any number of hours, unlike under tax credits where it is restricted to those working more than 16 hours. Under tax-free childcare, up to 2 million families could benefit. The Government are also committed to introducing the national living wage, with the rate forecast to rise to more than £9 an hour by 2020, which will mean a direct wage boost for 2.7 million low-paid workers. Of course, there is also the transformation that universal credit brings. It transforms the structural benefits system, ensuring that work pays by incentivising and smoothing the transition into work. It will support people in and out of work so that they can take up work, for no matter how few hours, safe in the knowledge that they will retain their financial safety net.

Universal credit also overhauls the conditionality framework. It removes the prescriptive requirements which mean that people claiming a certain benefit must take certain actions or lose their entitlement to financial support. Instead, people are allocated to a conditionality group according to their personal and household circumstances and earnings, and their capability. Where individuals have many different characteristics

[Baroness Evans of Bowes Park]
and circumstances, they will always be allocated to the lowest intensity conditionality. For example, the parent of a disabled child who requires full-time care will be in the "no work-related requirements" group. Similarly, the parent of a three year-old who has been found to have limited capacity for work will be subject only to work preparation requirements. Furthermore, irrespective of the conditionality group, individuals will have requirements and the employment support they receive tailored to their own circumstances and capabilities. Work coaches can, for instance, switch off requirements entirely for a temporary period where a parent or their children are experiencing difficult circumstances. Now when parents are asked to look for or prepare for work, their requirements will be fully tailored to their circumstances, in contrast to the current rigid system.

Currently, parents claiming jobseeker's allowance are required to be available for work and undertaking work-related activity for a minimum of 16 hours a week, or they risk losing their entitlement to benefit. In universal credit, there is no minimum requirement and work coaches have complete flexibility to set what is reasonable for each individual. For the first time, we will be supporting parents who are in low-paid work to earn more through in-work progression, where previously they may have been trapped in a cycle of low-paid jobs without any support. We know that developing a skilled workforce is key to realising the flexibilities that we have built into the legislative framework. We want to empower our work coaches to use this broad discretion to make sound decisions that are right for the individual in front of them. That is why we are investing heavily in learning and development for our front-line staff.

To achieve our ambition of providing the best and most efficient customer service, we are introducing a work coach delivery model to ensure that our people and organisation are structured to meet those needs now and in the future. This improves the quality of our work services support by placing the work coach role at the centre of future delivery, providing quality interventions. This approach also better deals with claimants as individuals or family units rather than by benefit. The model offers continuity to the claimant, allowing them to build a relationship with their work coach where they feel able to share their personal circumstances, resulting in appropriately tailored requirements which are achievable. It supports a personalised journey into work or helps to prepare them for work in the future.

To further support the introduction of universal credit and build the capability and professionalism of our work force, we are also implementing a work coach accreditation learning journey, which is in an initial proof-of-concept stage. It has 300 participants made up of work coaches and their line managers. The accreditation of staff will build up consistency across the workforce by having a clear standard of achievement within a framework that enables structured learning, timely intervention and public recognition of standards attained.

Accreditation also supports quality control, with work coaches receiving regular feedback at the time of the accreditation review from objective, informed and skilled line managers and external accreditors. In addition to the accreditation strategy, all work coaches will receive full training as part of the rollout of universal credit, and new guidance and learning products will be developed specifically for the implementation of this policy. I hope noble Lords can see that a lot of work has been done to ensure that the advice claimants get is of the highest quality, and tailored to their needs.

I know many noble Lords are concerned about the potential impacts of sanctions on parents as a direct result of this policy. I hope I have conveyed that our intention is not to penalise parents but to support them to find employment. Increasing conditionality and the employment support offered should not increase sanctions. Parents will be set reasonable and achievable requirements, which their work coaches will support them to meet. We have clear and transparent safeguards in place to protect people against sanctions where their requirements are unreasonable or they have a good reason not to meet them. However, that is not to say that sanctions should not play a role. Strong international evidence shows that benefits regimes tied to conditionality get people into work, and sanctions underpin this.

In response to an issue raised by the noble Baroness, Lady Manzoor, about sanctions starting at 13 weeks, that is not the case. Low-level sanctions are open-ended and are not set at 13 weeks. This means that a claimant can re-engage and end the sanction more quickly. Our principle is simple. Parents should be encouraged to undertake reasonable requirements around their childcare responsibilities, taking into account the childcare options available, however limited these may be. This will ensure that they do not lose touch with the labour market.

In relation to the specific amendments, Amendment 53A, moved by the noble Baroness, Lady Manzoor, specifies that,

"in preparing a claimant commitment … the Secretary of State shall have regard (as far as practicable)",

to the impact of the content in the claimant commitment on the well-being of any child who may be affected by it.

As I have already described, through conversations with the individual work coaches, already set and agreed work-related activities are tailored for a broad range of circumstances, including for matters relating to the well-being of children. This is achievable through existing legislation and it would be unduly burdensome to set out this level of detail in primary legislation.

In relation to the findings of the Citizens Advice report that the noble Baronesses, Lady Manzoor and Lady Grey-Thompson, mentioned, we accept that it is early days in the delivery of universal credit, and it is a big cultural change for our staff. There have been mistakes and variation in performance. The important thing is that we continually test, learn and spot problems promptly. As I have set out, a lot of work is going on to ensure that the accreditation and quality in training for work coaches is of a high quality.

It would also not be fair to prescribe only that claimant commitments must contain information relating to the well-being of children. We do not take our responsibilities for the well-being of children lightly.

That is why the regulations also make clear the circumstances in which requirements should be limited, or even lifted entirely, for a temporary period. For example, Regulations 98 and 99 provide provisions for suspension of requirements where children may be in distress. These reasonable requirements, including any limiting or lifting and the reasons, are recorded within the claimant commitment.

Amendment 53B, tabled by the noble Lord, Lord Kirkwood, seeks to exempt responsible carers of a child aged three and four from having requirements imposed where suitable and affordable childcare cannot be secured. We believe that is unnecessary in light of the flexibilities that I have talked about which universal credit provides. However, I can certainly assure the noble Lord, Lord Kirkwood, that the department is looking at childcare fitting in with individual requirements. It has been key to the passage of the Childcare Bill and the work that is going on. Parents will be able to use the new offer outside term time. The whole aim is to ensure that this offer is flexible so that parents can access childcare when they need it. As I said, the free childcare offer is not the only support available. Where childcare cannot be found, parents will not be required to do anything that they cannot fit around caring responsibilities.

10 pm

Amendment 53C, tabled by the noble Baroness, Lady Manzoor, would specify in regulations that the number of hours for work-related requirements expected of a responsible carer of a child aged under five must be compatible with the child's entitlement to free early years provision. It also specifies that these expected hours must take account of the time needed to deliver the child to and pick them up from that childcare provision. As I have already described, work coaches will be able to tailor the expected number of hours. We do not believe that it would be right to define the expected hours in terms of the free childcare offer because it does not also take into account the full childcare offer available. We think that this definition could potentially exclude a broad spectrum of childcare available to parents. As the noble Baroness said, many use informal childcare, such as relatives.

Amendment 53D, tabled by the noble Baroness, Lady Sherlock, and the noble Lord, Lord McKenzie, proposes to duplicate safeguards that are already covered in Regulation 97. Work coaches already have full discretion to tailor the individual requirements placed on all claimants, not just responsible carers of young children. This includes travelling time to and from work with the focus again, as I said, on the quality of the advice being given and the training for work coaches. The noble Baroness raised concerns about this not happening in practice. That is why we are focusing so much on ensuring that training is available and that all claimants get the quality advice that they deserve.

Amendment 54, tabled by the noble Baronesses, Lady Sherlock and Lady Manzoor, and the noble Lord, Lord McKenzie, focuses on single parents and seeks to make a blanket exemption from higher-level sanctions for single parents who cannot find suitable or affordable childcare, taking no account of the personal circumstances of the individual parents. Through universal credit we have made a conscious decision to address the long-standing disparity between lone and partner benefit claimants. We do not want to single out lone parents. Rather, we want support to be tailored on an individual basis, not targeted at groups of people who may share one characteristic but, when you delve deeper, have very different support needs.

I of course recognise that suitability and affordability of local childcare may be an issue for some parents, but it would be extremely difficult to define what is meant by "suitable" or "affordable" and to cover the broad spectrum of childcare available to parents. That is why, as I said, work coaches have full discretion to tailor the individual requirements placed on parents. This is achievable through existing legislation and there is no need to exempt single parents from higher-level sanctions.

To clarify the circumstances where a higher-level sanction might apply, the individual would have to, for no good reason: fail to apply for a particular vacancy; fail to take up an offer of paid work; cease paid work voluntarily or through misconduct; or lose pay voluntarily or through misconduct. These are serious matters that should not be taken lightly. However, it is unlikely that many parents will find themselves in a situation where they might incur such a sanction.

Through discussions with the individual, work coaches will help to identify all barriers to work and understand the individual's caring responsibilities for their child and the type of work-related requirements they are able to meet as a result. This will ensure that single parents should not be set unreasonable requirements. Setting reasonable and tailored requirements in this way means that parents should be able to meet them and therefore not face sanctions. As I said, the aim of this is not to increase the number of sanctions occurring. In the event that childcare was not identified as a problem or that arrangements fall through after requirements have been agreed, parents are able to alert their work coach before a referral to a sanction.

There are a number of safeguards in place, first and foremost to ensure that requirements set are reasonable. If a claimant does not consider that the work-related requirements in their claimant commitment are reasonable and reflect their circumstances, they can request a second opinion from a different work coach.

Where a sanction referral has been made, there are a number of steps to make sure that the decisions are correct. Independent decision-makers consider each case, including any evidence of good reason put forward by a claimant. All claimants can ask for the decision to be reconsidered and can appeal against the decision to an independent tribunal. A sanction will never be imposed if a claimant has good reason for failing to meet requirements.

Lack of appropriate and affordable childcare would count as a good reason for not having met any of these requirements. The types of things which count as good reason are made clear in the advice for decision-makers guidance, which is publicly available. As a result, we believe that this amendment is unnecessary.

Moving on to carers, Amendment 55, tabled by the noble Baronesses, Lady Meacher, Lady Pitkeathley, Lady Hollins and Lady Manzoor, seeks to exempt

[Baroness Evans of Bowes Park]
responsible carers of a disabled child from full conditionality. I know that everyone in this House agrees that carers provide invaluable support for relatives, partners and friends who may be ill or disabled. So do we, and that is why the conditionality framework in universal credit has been designed to ensure adequate protection. Universal credit already provides substantial safeguards and flexible support for all carers. Existing legislation is clear that those with caring responsibilities for a disabled person should not be subject to any conditionality. Therefore, I do not believe that the exemption or the new determination of disability is necessary. Most responsible carers of a disabled child aged three to four will not be subject to the conditionality that this clause introduces.

Those parents who receive the middle or highest rate of disability living allowance will be entitled to the carer element in universal credit and will fall into the "no conditionality" group, so would not be subject to any work-related requirements. The carer element supports carers on a low income who provide weekly care of 35 hours or more for a severely disabled person. This does not replace carer's allowance, which will continue to exist as a separate benefit outside of universal credit. As the noble Baroness, Lady Meacher, said, more than half of the children in receipt of disability living allowance aged under five receive the highest-rate care component and nearly the same proportion receive the middle rate. In total, around 51,000 out of 54,000 receive DLA at the highest or middle rate, and therefore I confirm that they will not be subject to the changes this clause introduces.

Concerns have been raised that it is difficult for parents of children under the age of five to demonstrate their child's disability as part of the claims process to DLA. Current legislation does not specify that a parent applying for DLA on behalf of their child must provide supporting evidence of their child's disability or health condition in addition to the application form.

In addition, the introduction of the mandatory reconsideration process means that decisions which are incorrect can be amended much more quickly. The number of appeals against DLA decisions has significantly dropped since the introduction of mandatory reconsideration, indicating that parents are able to access the support they need. For the purposes of conditionality, if a parent is the carer of a child awaiting assessment, they will be placed in the "no work-related requirements" group and will not be subject to any requirements. For those not entitled to the carer element, different levels of conditionality may apply. I will not go into those as I think that I have talked for too long, but I am happy to provide further information. Noble Lords did say that they wanted more information.

Baroness Meacher: I want to put on record the fact that this all sounds just grand and everybody is going to be absolutely fine. However, did the Minister notice that there is a great disparity between the number of parents of children under five who actually qualify for DLA and the number of those with children over five who do so, and that those who have not got to the point of being recognised as having a disabled child are, of course, subject to the conditionality and will come into all the horrendous situations that we all know so well? I would like the Minister to acknowledge that for those who receive higher and middle-level DLA things are perhaps reasonably satisfactory, but they are a proportion—I think less than half—of the total number of families with disabled children under five. That is rather an important point.

Baroness Evans of Bowes Park: I thank the noble Baroness for that comment. I will reflect on what she said and if there is any further information I can provide, I will do so.

Amendment 56, tabled by the noble Baronesses, Lady Grey-Thompson and Lady Meacher, proposes to unnecessarily prescribe the contents of the claimant commitment in the Welfare Reform Act. Work coaches are bound by public law duties to take into account all relevant matters when deciding on the specific requirements a claimant must meet. This will include any relevant points or objections raised by the claimant. They are also bound by the Equality Act 2010 to make adjustments to ensure that those with a disability are not placed at a disadvantage. The claimant commitment will record the requirements that have been identified through discussion to be reasonable in individuals' circumstances. We support the principle that the requirements contained in the claimant commitment should reflect reasonable adjustments. Indeed, this is what work coaches are asked to do now. But reasonable adjustments are made and requirements are tailored for a broad range of circumstances, not just for matters relating to a disability.

Amendment 56A, tabled by the noble Lord, Lord Kirkwood, seeks to delay implementation until the free childcare offer is available to all those to whom this clause applies. As I have already said, the 30 hours' free childcare is just one element of an extensive menu of government support. This clause applies to parents in England, Wales and Scotland, who have their own free childcare offer, and therefore we should not tie the implementation of the England-only offer to this clause.

Amendment 62A, tabled by the noble Baroness, Lady Manzoor, seeks to put into statute a review of the impact of the changes to conditionality for parents. We believe that this amendment is unnecessary as we keep the operation of the conditionality and sanctions framework under constant review. I will not go further than that because we will be coming to a further amendment on sanctions next week so I will be able to give more information then.

Baroness Manzoor: This is really important. Hearing the Minister speak, it sounds terribly complex. I thought that with universal credit we were moving towards things being much simpler. But anyone outside listening today, such as mothers with children who are two or three years old, will be thinking, "My gosh, what on earth am I going to have to go through just to prove that I cannot get a job because of my responsibilities to my children?". But the review mechanism is very important. It comes back to this evidence-based decision-making. I hear what the Minister says about coming

back to this but we are talking about it now in relation to this amendment so I would like a response just so that I understand it.

Baroness Evans of Bowes Park: It is not that it is becoming more complex; it is becoming more individualised, which also means that it will be more responsive to individuals' circumstances. It is not that complexity is increasing. It is actually that individuality and responsiveness to individuals' circumstances are increasing.

All these amendments move us away from the key universal credit principle that we treat people as individuals and tailor their requirements based on their personal circumstances. They also take no account of the existing safeguards within the Welfare Reform Act 2012 and the Universal Credit Regulations 2013. We firmly believe that we need to be doing more rather than less to encourage and support all parents with young children to prepare for and look for work, ultimately improving their children's life chances.

The Lord Bishop of Durham: I hope your Lordships will forgive me if my intervention is incorrect—I am still learning the ways of this House. I asked what I thought was a very simple question: is there a willingness to go away and consider? I thank the Minister for all the information, which is extremely helpful, and I believe that individual tailoring is an absolutely proper and right way forward. What I am mystified by is the apparent unwillingness today to be prepared to go away and at least consider some of the concerns of many of us who are not driven by political stuff at all—we are just deeply, passionately concerned for the children of this nation—that you might have got some of it slightly wrong and it could be improved.

Baroness Evans of Bowes Park: The Government certainly listen with extreme care to all the views expressed by noble Lords. A lot of the detail will be in regulations, so there will be opportunity, but I assure the right reverend Prelate that the views of this Committee are taken into account and considered.

10.15 pm

Baroness Lister of Burtersett: Is the noble Baroness saying that she will put some of the points that have been raised into regulations? I think noble Lords would see that as a step forward, but is that what she is saying?

Baroness Evans of Bowes Park: No, I am afraid I am not making that commitment. I am saying that there are further opportunities for discussion. I apologise for taking so long to explain and respond to these amendments.

Baroness Hollis of Heigham: The noble Baroness mentioned earlier in her speech something that made me shudder: the very serious situation in which a lone parent voluntarily leaves her work and therefore has sanctions applied to her. That might make sense for a young single man with no other responsibilities who has not been engaged in work and so on, but not for a lone parent. When a lone parent says that she left her job because her child was X, Y and Z, how does the Minister expect a 22 year-old man in a jobcentre to know whether that did or did not require, and was appropriate for, a sanction? It seems to me that these are different planets. I am baffled that the noble Baroness thinks that such highly sensitive issues, with every child being different in their needs, can be judged by a box-ticking mentality in Jobcentre Plus.

Baroness Evans of Bowes Park: I am sorry, but I will have to get back to the noble Baroness. I urge noble Lords—and noble Baronesses—to withdraw or not press their amendments.

Baroness Manzoor: I thank the Minister for her comprehensive response. I also thank all noble Lords who have taken part in this debate. One thing I have heard very loud and clear is that not one of us can accept in totality what the noble Baroness is saying. I did not get that impression. We are certainly looking for some understanding and for the Minister to go back and think about some of the issues that have been raised because they are vital for mothers. They are particularly so for women, as I said, because it is mostly women who are carers. Having sat through the debates on day one of the Committee and today, I increasingly think the Bill will have a disproportionate effect on women. I think it was the noble Baroness, Lady Hollis, who said that we really did not have an impact on gender inequalities and the gender impact of the Bill. For me, that is increasingly a worry.

Knowing of so many young women who have young children, and having heard from so many who are single, there are people who are genuinely and seriously worried about what will happen without that support mechanism—and the sanctions are really aiding that fear. The Minister spoke passionately about it being unlikely that these sanctions would apply, but I genuinely cannot understand why they are then even there. I keep going back to the issue of hope and inspiring people who really want support. In fact, the Government seem to be using every opportunity not to support and care in the way that they say they will, because the actions are not delivering that. Despite all that, I thank everyone who has taken part in this debate and beg leave to withdraw the amendment.

Amendment 53A withdrawn.

Amendments 53B to 56A not moved.

Clause 15 agreed.

House resumed.

House adjourned at 10.20 pm.

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