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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

ORDER OF BUSINESS

Questions	
Brexit: British Embassies in EU Countries.....	105
Fuel Poverty	108
Legal Aid, Sentencing and Punishment of Offenders Act 2012	110
Criminal Justice: Anonymity	112
National Citizen Service Bill [HL]	
<i>Second Reading</i>	114
Airport Capacity	
<i>Statement</i>	134
National Citizen Service Bill [HL]	
<i>Second Reading (Continued)</i>	152
Civil Legal Aid (Merits Criteria) (Amendment) Regulations 2016	
<i>Motion to Approve</i>	188
Contracts for Difference (Allocation) (Amendment) Regulations 2016	
<i>Motion to Approve</i>	192

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Abbreviation	Party/Group
CB	Cross Bench
Con	Conservative
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
LD Ind	Liberal Democrat Independent
Non-afl	Non-affiliated
PC	Plaid Cymru
UKIP	UK Independence Party
UUP	Ulster Unionist Party

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House of Lords

Tuesday 25 October 2016

2.30 pm

Prayers—read by the Lord Bishop of Portsmouth.

Brexit: British Embassies in EU Countries Question

2.37 pm

Asked by Lord Wallace of Saltaire

To ask Her Majesty's Government whether they are considering reversing the cuts made to staffing in British embassies based in European Union countries in order to accommodate increased bilateral negotiations accompanying the United Kingdom's withdrawal from the European Union.

The Minister of State, Foreign and Commonwealth Office (Baroness Anelay of St Johns) (Con): My Lords, the FCO maintains a long-established and effective network of staff across Europe and the world. It keeps staffing across this network under constant review to ensure that it delivers the Government's priorities. Given the importance of managing the UK's successful withdrawal from the EU, the staffing of British missions in EU countries and our wider overseas footprint is under careful consideration to ensure that we are well positioned to promote the UK abroad.

Lord Wallace of Saltaire (LD): Does the Minister recall that, when the substantial cuts in home-based staff in European embassies was carried through in recent years, the argument was made that much business is now done in Brussels so we do not need people from Britain in those countries? Clearly, that will no longer be the case. Can she also confirm that the home-based staff from other EU countries in embassies in London is in almost all cases larger than the number of British home-based staff in other countries? Can she confirm, lastly, that we are now dependent on locally engaged staff elsewhere in the EU to do very sensitive political reporting, to a degree to which the *Daily Mail* would clearly regard as being appallingly dependent on unreliable and not always friendly foreigners?

Baroness Anelay of St Johns: The noble Lord is focusing on the importance of quality of staff—that is the theme of his Question. First, with regard to staffing across the EU network, even before 23 June we had already allocated a further 16 UK-based posts for our work in the EU, reflecting the changing relationship and conditions across Europe, because of uncertainties caused by changes of Russian policy and migration. So there had already been an increase of flexibility. That, of course, will be part of our 2020 initiative in looking at how staffing needs to respond to the new needs following 23 June.

As for locally employed staff, I put on record my great admiration for them. They bring a depth and breadth of expertise, whether they are cooks, drivers or advisers; they bring knowledge of the culture and the local country that is absolutely essential. In accordance

with our agreement with the Select Committee in another place, they will not exceed 70% of the allocation of staff.

Lord Cormack (Con): My Lords, while I accept what my noble friend has just said, would she accept that there are many bruised people among our partner 27 nations in the European Union, especially among many of the smaller countries, such as the Baltic states? Will we make a very special effort to ensure that they realise that we are in no sense turning our backs on them?

Baroness Anelay of St Johns: My noble friend raises an essential point. Yesterday it was my honour to record a short video of congratulations to Lithuania to celebrate its 25 years of independence. We will continue our bilateral relations with the other 27 countries across Europe post-Brexit—and, of course, we are still within the European Union, and our relationships must remain cordial. It is important for all of us that they do.

Lord Collins of Highbury (Lab): My Lords, there is another side to the coin, not least that—because there was no contingency planning—a lot of effort is now going into the Brexit negotiations. The concentration of effort from the Foreign Office into that may jeopardise other vitally important work, including in the Middle East and Africa. What assurances can the Minister give that that work will not be diminished because of Brexit?

Baroness Anelay of St Johns (Con): My Lords, the noble Lord has raised a crucial point. As I mentioned briefly in my first Answer, it is the duty of the FCO to reflect Her Majesty's Government's priorities across the world. The 2020 diplomatic initiative currently under way is an internal exercise looking carefully at the disposition and number of staff needed—both during negotiations on our exit from the EU and, subsequently, within the EU and around the world—to meet the exigencies of events as they arise.

Lord Green of Deddington (CB): My Lords, does the Minister recognise that the Commission is likely to be extremely difficult in the coming years for policy reasons of its own? That makes it all the more important that we should have full and accurate reporting, by British-based staff, from our posts in the European Union.

Baroness Anelay of St Johns: My Lords, when I have had what are called town hall meetings with staff in our posts around the world, I have always been impressed at the accuracy with which they gather and report information to us across the whole range of issues. It is important that that continues.

Lord Wigley (PC): My Lords—

Lord Pearson of Rannoch (UKIP): My Lords—

Baroness Symons of Vernham Dean (Lab): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, the noble Lord, Lord Wigley, and then the noble Lord, Lord Pearson.

Lord Wigley: My Lords, in view of the assurances on Brexit given yesterday to the First Ministers of Scotland, Wales and Northern Ireland, will the Minister tell the House that there will be a facility, in the embassies of the United Kingdom and the other 27 countries, for staff nominated by each of the three devolved Administrations to work in the interests of those countries?

Baroness Anelay of St Johns: My Lords, my right honourable friend the Prime Minister set out the way in which she would be consulting the devolved Administrations, and that Statement was repeated yesterday by my noble friend the Leader of this House. I do not intend to embellish upon that, but I will say that the devolved Administrations are key to the way in which the United Kingdom and Northern Ireland as a whole should prosper when we have left the European Union.

Lord Pearson of Rannoch: My Lords, how much do the Government pay to Brussels for our share of the numerous, large, expensive and pointless EU embassies all over the planet? Upon Brexit, could we not redirect that money to the area which troubles the noble Lord, Lord Wallace, or indeed anywhere else where it would be better spent—which is practically anywhere?

Baroness Anelay of St Johns: My Lords, when travelling around the world I have found it very helpful to be able to liaise with representatives of the External Action Service, for example earlier this year in Colombia. While we remain within the European Union we will continue to fund that service. However, subsequent to leaving the European Union I would still expect this country to have a diplomatic relationship with the EU, just as other countries such as Norway or the United States do, as the noble Lord will know.

Baroness Symons of Vernham Dean: My Lords, does the Minister recognise that many parts of the private sector are now actively recruiting among Foreign Office and UKTI officials, who have expertise around the whole area of Brexit, particularly trade? If so, can she tell the House what the Government are doing to try to retain those officials, who have experience over many years and who we cannot afford to lose from public service?

Baroness Anelay of St Johns: My Lords, I always say that my privilege at the Foreign and Commonwealth Office is that I am able to work with some of the most able people I have ever met. Much as I enjoy working with them—whether that be my private secretary or others—what I want is to see them fly in their careers. Throughout the Foreign Office we provide training, whether through the Diplomatic Academy or in other ways, to enable people to gain extra expertise. If they choose to use that outside the Foreign and Commonwealth Office—on secondment, for example—they are always welcome back. The most important thing is that those with ability should choose how they wish to succeed.

Fuel Poverty Question

2.46 pm

Asked by **Baroness Donaghy**

To ask Her Majesty's Government what is their estimate of the number of households currently in fuel poverty; and what action they intend to take to reduce that number.

The Minister of State, Department for Business, Energy and Industrial Strategy (Baroness Neville-Rolfe) (Con): My Lords, the latest official statistics show that there are 2.38 million households living in fuel poverty in England. We are reforming the energy company obligation to improve the energy efficiency of the households that most need support. Combined with the support from the warm home discount, almost £1 billion a year will be spent on tackling fuel poverty from 2018. We also propose to raise the standards of energy efficiency in the private rented sector.

Baroness Donaghy (Lab): I thank the Minister for her reply. She will know that the Prime Minister said:

“It's just not right that two-thirds of energy customers are stuck on the most expensive tariffs”.

The Minister will also know that the figures she gave the House are a conservative estimate, because they do not include those who are in need of extra warmth because of old age or ill health. Could she elaborate on the Government's intentions to achieve this improvement?

Baroness Neville-Rolfe: As the noble Baroness said, the Government are very focused on this issue. We are trying to improve the various schemes to focus them more on low-income and vulnerable people. We have a report from the Competition and Markets Authority looking at price, and at the key issue of pre-payment meters, which are extremely important for the poor and vulnerable—and which Lord Ezra, who used to ask questions on this subject, did so much to bring to everyone's attention.

Baroness Gardner of Parkes (Con): Does the Minister agree that it is not only the price of fuel and heating that are important, but how you use them? In my days as a member of the London Electricity Board, we encouraged a programme to be sent, particularly to elderly and vulnerable people, telling them how they could intensify the use of one particular room at times when they would be at serious risk of ill health if they did more. At least we sent out information that could be useful to people to protect them. Are the authorities that produce fuel still doing that? If not, can it be sent out by a health department or someone of that type?

Baroness Neville-Rolfe: The noble Baroness makes an important point about the need to get the information to the consumer, which I very much agree with. Public Health England recently estimated that cold homes cost the NHS £850 million a year—so we need to get the regimes right, and we also need to communicate that well, both through the energy providers and more generally.

Lord Palmer (CB): My Lords, in this day and age, is it not an absolute disgrace that any household should live in fuel poverty?

Baroness Neville-Rolfe: It is certainly a problem, and it has been a problem for successive Administrations. We are trying to move forward: as has been said, the Prime Minister has commented on this area. We need to reach right across the piece: recently I met Christians Against Poverty and discussed its work to help the most vulnerable in society. As with so many issues, this is quite complex. We need to move forward in the competition area, and with meters, and we need to make sure that the schemes for improving energy efficiency—a long-term way of reducing energy bills—are focused on those who really need them.

Lord Wallace of Tankerness (LD): My Lords, the most recent increase in inflation was attributed in part to increased fuel prices. What assessment have the Government made of the additional number of households which will have dropped into fuel poverty because of even further increases as a result of the Brexit-induced decline in sterling? In these circumstances, will the Government consider unfreezing the freeze they put on working-age benefits and tax credits so that the first consequences of Brexit do not fall disproportionately on the poorest and most vulnerable households?

Baroness Neville-Rolfe: The noble and learned Lord makes some interesting comments. It will be difficult for me to say yes today. However, I can say that we are continuing the winter fuel payments, which are very important to the 12 million pensioners who benefited from them last winter. We are also taking steps to make sure that this market works well so that affordable fuel is available. We are seeking an energy policy which is secure, clean and affordable for people.

The Lord Bishop of St Albans: My Lords, there is a particular problem with fuel poverty in rural areas, particularly remote rural areas. What steps are Her Majesty's Government taking to promote the use of renewable forms of heating, especially in off-grid areas in the countryside?

Baroness Neville-Rolfe: The right reverend Prelate is entirely right to say that there are special problems in rural areas. There has been a succession of schemes promoting renewables, some of which are particularly important in rural areas. I would like to talk to him further about the issues that he has encountered in this area so that we can make sure that, going forward, we focus on those as well.

Lord Grantchester (Lab): My Lords, the UK energy system needs to digitise, just like TV and mobile phones. The building blocks for this revolution are smart meters, which create better opportunities for demand-side response measures to have a significant impact on fuel poverty. Will the Minister update the House on the introduction of the better markets Bill that could provide an effective start, such as a protective tariff for pre-payment customers? Are these measures a priority for the Government?

Baroness Neville-Rolfe: The rollout of smart meters and their proper use is very much a priority for us. Indeed, some of the changes that we will need for digitisation are already contained in the Digital Economy Bill, which is in the other place and will come here in due course.

Legal Aid, Sentencing and Punishment of Offenders Act 2012

Question

2.52 pm

Asked by **Lord Beecham**

To ask Her Majesty's Government whether they have commenced a review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012; and, if so, when they anticipate that the review will be published.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the coalition Government promised to review Parts 1 and 2 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 within three to five years of its implementation. We remain committed to undertaking that review. The precise timing is under consideration and we will announce our intentions in due course.

Lord Beecham (Lab): My Lords, it is four and a half years since Royal Assent, so it is a little disappointing that the Government have not yet decided when to carry out their promise. I had prepared a response, rather anticipating the Answer that the noble and learned Lord gave. However, today I was telephoned by a young woman in great distress because she is in the middle of a custody case involving her child by someone who is legally represented. There is no case here for legal aid to be granted under the present regime because there is no violence or any suggestion of child abuse. I tried to put her in touch with people who might help. This exemplifies some of the real problems that have arisen as a result of the narrowing of the field in which legal aid applies. Will the noble and learned Lord confirm that the Government will be open to reviewing such areas where legal aid has been withdrawn and will not be adamant about refusing to extend it to cases such as this?

Lord Keen of Elie: I remind the noble Lord of a Written Answer by my noble friend Lord Faulks some time ago in which he pointed out that the review of LASPO would take place between April 2016 and April 2018, and towards the end of that period. With regard to the case which the noble Lord highlighted, of course I cannot comment on an individual case. However, I would observe that, prior to LASPO coming into force, almost two-thirds of family cases already had at least one unrepresented litigant. Therefore, there has not been a sudden introduction of unrepresented litigants in the context of family courts and family cases since LASPO came into force. However, clearly, when it comes to a review of LASPO, particularly Part 1, we will take into consideration the sort of case that the noble Lord raised.

Baroness Lister of Burtsett (Lab): My Lords, the UN Committee on the Rights of the Child and the Equality and Human Rights Commission recommended that the review of the impact of LASPO on children should be expedited. Can the noble and learned Lord say what the Government's response is to these important recommendations?

Lord Keen of Elie: A number of parties have raised the question of review of the impact of LASPO. The government position remains, as I outlined earlier, that we will carry out the appropriate review by April 2018.

Lord Marks of Henley-on-Thames (LD): My Lords, the provisions for legal aid for domestic violence victims and exceptional case funding were intended to ensure protection for such victims and a safety net for deserving cases outside the scope of legal aid. Does the noble and learned Lord share my regret that difficulties in access to legal aid in these areas have led to disappointingly low take-up, and does he agree that this highlights the urgency of the need for the promised review?

Lord Keen of Elie: The Government acted quickly to change the evidence arrangements in respect of domestic violence cases following a decision in February of this year, and the take-up on these cases has increased by about 30% since that time. With regard to exceptional case funding, again the number of applications and grants has increased markedly in the past year and indeed, according to the data available for the last quarter of 2015-16, the number of grants in respect of exceptional case funding has increased by 32%.

Baroness Butler-Sloss (CB): My Lords, is the Minister aware that, whereas in the past most of the litigants in person in the cases I tried over many years were men, who chose not to have legal aid, now they are both parties? Therefore, neither party has legal aid and the judge has no knowledge of what is the issue between them that can be properly litigated for the best interests of the child. This is a serious matter, which also leads to enormous delays and overuse of Cafcass.

Lord Keen of Elie: With particular reference to proceedings concerning children, I point out that legal aid remains available where most needed. Indeed, legal aid was provided for in over 54,000 proceedings last year under the special Children Act.

Lord Woolf (CB): Does the Minister accept that what is happening in regard to legal aid is damaging the reputation of our justice system and that judges up and down the country are finding it difficult to administer justice? One interpretation of the way the vote on Brexit took place is that it indicated that the public are very concerned about British justice; will that factor be taken into account in determining when the review that has been promised takes place?

Lord Keen of Elie: We retain full confidence in the British judicial system, which is a world leader without any question of doubt. As regards the provision of legal aid, of course it is important, but it remains available where it is most needed, having regard to the financial demands that fall upon the country in more areas than just legal aid.

Criminal Justice: Anonymity Question

2.58 pm

Asked by **Lord Lexden**

To ask Her Majesty's Government whether they are planning to give anonymity to sex abuse suspects before they are charged.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, as noble Lords will be aware, an amendment on this issue has been tabled by the noble Lord, Lord Paddick, in Committee on the Policing and Crime Bill, which will be debated in early November. The Government's position is that there should be a presumption of anonymity prior to charge for any sexual offence, but that there will be circumstances in which the public interest means that a suspect should be named.

Lord Lexden (Con): In relation to allegations of sexual abuse, does my noble friend agree that many people are asking themselves and Members of both Houses of Parliament whether the presumption of innocence until proved guilty is still in existence? Is it not our duty to take action—either by instituting anonymity until the point of charge, as backed by the Director of Public Prosecutions last week, or by other effective means—to reduce the terrible toll of suffering caused by false and malicious allegations against innocent people in all walks of life? Finally, do the Government agree that the institutions of both state and Church need to show much greater concern for the reputations of eminent people from the past who cannot speak for themselves? I refer to statesmen such as Sir Edward Heath, traduced by Wiltshire Police without a shred of evidence, and the great bishop, George Bell, who died in 1958 and whose reputation has been severely damaged by today's Church authorities as a result of a secret process—a kind of private trial, which was widely deplored in a debate in this House earlier this year.

Baroness Williams of Trafford: I totally agree with my noble friend that the strength of our legal system is that people are innocent until proved guilty, and I hope that that always stays the case. I also completely sympathise with his point about the terrible suffering that people can go through when their names are made public but they are not in fact guilty of anything. I will not talk about individual cases but he mentioned people against whom the accusations were found to be groundless. It is important to say that there is a very fine and difficult balance to be struck. The voicing of victims' concerns and the naming of people in the public interest to allow further evidence or further victims to come forward needs to be balanced with the right to privacy and protection of the person who is suspected.

Lord Morris of Aberavon (Lab): My Lords, in view of the manifest injustice that can result from the publication of the names of a wide range of suspects, is it not time to have a complete review of the law and practice in this field? Will the Government consider referring the whole issue to the Law Commission?

Baroness Williams of Trafford: I can tell the noble and learned Lord that guidance and reference material is published by the College of Policing on its Authorised Professional Practice website. It discourages the naming of suspects save in clearly identified circumstances. The College of Policing is consulting on that guidance and we look forward to reading what that throws up.

Lord Paddick (LD): My Lords, does the Minister agree that, although there is a principle of being innocent until proved guilty, when it comes to sexual offences the attitude of many of the perhaps irresponsible media, and certainly the attitude of many members of the public, is that the principle is that there is no smoke without fire?

Baroness Williams of Trafford: I certainly agree with the noble Lord, and in fact we spoke about this very point yesterday. We talked about the need for balance, as well as the responsibility of the media. We can all think of cases where the media have reported in perhaps totally irresponsible ways, so in that sense I concur with what he says.

Lord Campbell-Savours (Lab): My Lords, in her responses to the noble Lord, Lord Lexden, the Minister referred to the public interest, on which this whole argument now turns in my mind. Is she absolutely satisfied that the process by which people determine the public interest is the correct one, and is it not there that the law should be amended?

Baroness Williams of Trafford: As I said to the noble Lord, Lord Thomas—sorry, to the noble and learned Lord, Lord Morris; I will be in trouble twice now with the noble and learned Lord—there is a need to look at the guidance through the consultation, and we will take great interest in what that consultation says. However, the balance of public interest comes when the police need to publicise a person's identity to allow other witnesses to come forward or further evidence to be brought forward.

Lord Wigley (PC): My Lords, does the Minister accept that there is at least equal importance in the anonymity of victims? Is she aware of the amendment standing in my name to be moved at the later stages of the police Bill to address the difference of interpretation of the law from police station to police station in releasing names? Will the Government give a fair wind to the amendments that are before the House?

Baroness Williams of Trafford: My Lords, not only will the Government give enough time to the amendments, but I am sure that, given the prominence of the issue both in Parliament and the media, the debate will be substantial and will benefit from all the expertise in your Lordships' House.

Lord Elton (Con): My Lords, does my noble friend think it is entirely fair—though it may be expedient in the early stages—that while anonymity is not granted to the accused it is granted to the accuser? Is there not a point at which that becomes unfair and should be revisited according to what the motivation of the accuser may be?

Baroness Williams of Trafford: My noble friend is absolutely right. There may be cases in which the accuser's intentions are not entirely honourable. However, it is important that somebody who comes forward with an accusation gets a fair hearing and is not discouraged from coming forward because they are too frightened.

Lord Hughes of Woodside (Lab): My Lords, did I read correctly in the newspapers recently that the person in charge of prosecutions said that the fact that charges are not proceeded with certainly does not prove innocence, but simply that there was insufficient evidence to proceed with the charges? How does that sit with the issue of innocent until proven guilty?

Baroness Williams of Trafford: I am not entirely sure I heard everything that the noble Lord said. However, he mentioned the Crown Prosecution Service. It supports the principle of anonymity for a suspect pre-charge but recognises that there may be exceptional operational reasons for the police to name a suspect pre-charge—but that is a decision for the police.

Arrangement of Business

Announcement

3.07 pm

Lord Taylor of Holbeach (Con): My Lords, I wish to make a brief business statement to confirm that the Question for Short Debate in the name of the noble Baroness, Lady Wheeler, scheduled as our last business for tonight, has been postponed and will not be called this evening. I will look to find the noble Baroness a new date for her debate in due course. I expect noble Lords will be pleased to note that Back-Bench time on the Statement on airport capacity has been extended to 30 minutes.

National Citizen Service Bill [HL]

Second Reading

3.08 pm

Moved by Lord Ashton of Hyde

That the Bill be now read a second time.

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, I am grateful to the Chief Whip for introducing the Bill and almost propelling it straight to Third Reading in his enthusiasm. This is a modest Bill in size about a programme that is large in aspiration. Building on the success of NCS so far, the Bill is mainly concerned with establishing sound and transparent governance arrangements. We want to keep it focused on this defined purpose.

Like several of your Lordships, I visited NCS this summer. In the garden of a care home outside Leeds, I saw a group of young people who had never met before that summer. They came from different estates, suburbs and villages. They had united as a group, had fun and

[LORD ASHTON OF HYDE]

adventure and were now serving their community. I could see how that group of young people would come out of NCS better equipped for the future and how the community around the care home would have their lives enriched by their new garden. That experience was not unique to a group in Leeds. The same thing was happening to tens of thousands of young people this summer, and thousands of communities benefited.

The more young people take part across all parts of the country, the more transformative NCS can be. A maximum of four weeks long, with no cost if parents cannot afford it, NCS is accessible to everyone. In 2015, 17% of NCS participants were eligible for free school meals, compared with around 10% of that age group as a whole. Of their own accord, some young people take to Twitter and say that NCS changed their life. Those are not the words of people who have access to opportunities like this every day.

However, the real strength of the programme is that it appeals to people from all backgrounds and brings them together. They learn together, live together and form one team. The independent Ipsos MORI evaluation found that 82% of people leave the programme feeling more positive about people from different backgrounds. They also leave feeling stronger and better prepared for the future. The same evaluation showed that 83% of participants graduate from NCS feeling more capable than they had realised they were. They have seen their confidence, communication and creativity soar. They have designed their own social action project to support their community.

NCS is a programme for young people, but it is not only the young who benefit. Residents of a Weymouth care home benefited from a new sensory garden built by NCS participants. East Durham mothers and fathers of premature babies benefited from care packages prepared and distributed by NCS participants. Merseyside Huntington's Disease Association benefited from funds raised by NCS participants. The NCS Trust estimates that in the 16 months following the summer programmes, the 2013 and 2014 graduates gave back an additional 8 million hours of volunteering to their communities.

Together these elements form the ethos of NCS: social cohesion, social mobility and social engagement. NCS is one opportunity in a broader social action journey. Up and down the country, many excellent charities and organisations offer a broad range of programmes for people before, after and alongside it. We also believe in the value of a single, unifying rite of passage for young people, and that is NCS.

The NCS Bill is short and focused. It works in conjunction with a royal charter. No single party can lay claim to NCS as many voices were involved in its development. The noble Lord, Lord Blunkett, sits on the board of the current body. The Government believe that the NCS Trust has the potential to become a national institution. Incorporating the NCS Trust through a royal charter sends an important message that the trust is a body beyond partisan political concerns and must continue to appeal to young people of all backgrounds. A draft of the royal charter has been published as a Command Paper and was laid in the House when the Bill was published for noble Lords

to see. The Bill begins by referencing that royal charter and the functions of the NCS Trust that it describes. These functions capture, in practical terms, the heart of what NCS is here to achieve.

The NCS Trust will be a new body in a new form designed to endure, but we must not lose the expertise and experience of those who have worked in the current body. Under their stewardship, NCS has become the fastest-growing youth movement in this country for 100 years. The Bill therefore makes provision for schemes for the transfer of staff, property, rights and liabilities from the current body to the NCS Trust.

The Bill allows the Government to fund the NCS Trust out of moneys authorised by Parliament. In addition, it allows the trust to charge fees for participation at variable rates so that anyone, no matter their background, can afford to go on NCS. At present, the maximum fee is £50, but the average is less, and many participants pay no fee at all. The royal charter requires the trust to ensure equality of access to NCS for young people regardless of their background or circumstances.

As NCS has such value to the nation and is paid for by it, it is essential that the public trust it and can have confidence in the public money spent on it by the NCS Trust. The bulk of the Bill is therefore a considered series of measures to hold the NCS Trust to account for that funding. The trust must prepare annual accounts, and the National Audit Office will be its auditor. The accounts will be laid before Parliament.

At the start of each year, the trust must publish an annual business plan setting out its strategic priorities and annual objectives. At the end of the year, the trust must provide government with an annual report that will in turn be laid before Parliament. The report will set out how the trust has fulfilled its priorities and main functions, and the Bill lists a series of specific requirements that it must also address. These include the value for money of the programme and the extent to which it has mixed people from different backgrounds.

The potential for NCS to be a unifying force in a divided society is enormous. NCS can break down barriers at the very time—the transition to adulthood—that they could become entrenched. Independent evaluation found that a striking 95% of participants said that NCS gave them a chance to get to know people whom they would not normally meet.

Finally, the Bill requires the trust to notify government if a breach of contract results in serious financial consequences, a provider is in serious financial difficulty or a member of staff commits fraud. This will allow government to take rapid steps to minimise the loss of public money. The NCS Trust will be subject to the Freedom of Information Act, the Equality Act and the Public Records Acts. Together, these measures will ensure that the NCS Trust works efficiently, effectively and transparently.

The other purpose of the Bill is to help more young people to hear about NCS. The Bill enables HMRC to pass on information about NCS to the young people, parents or carers whose addresses it holds. In the same way as receiving a national insurance number marks a coming of age at 16, we want this letter with an invitation to go on NCS to mark it, too. The Bill will in this way help make NCS a rite of passage for the young people of this country.

This Bill and the royal charter aim to build on the success of NCS so far and create an institution that the public respect and believe in and that is worthy of the task before it: to change lives and help tackle some of our country's biggest social challenges. I look forward to hearing your Lordships' views. I beg to move.

3.18 pm

Lord Blunkett (Lab): My Lords, I have a declared interest in the register, mentioned by the Minister. I am grateful to him for commencing his speech today by mentioning the impact of NCS on young people and the impact of the work of young people on communities and the most vulnerable. If this Bill is worth anything, it is to embed what NCS means for young people themselves rather than the technicalities, the charter and the necessary accountability provisions that are spelt out in what is, after all, a modest measure.

I offer my support for the Bill and in doing so recognise the enormous contribution over generations that not only individual volunteers but organisations committed to full and part-time volunteering have made in providing the backcloth to the decision of the Government four years ago substantially to fund an experience of volunteering for young people around the time that they reach the end of key stage 4, and the way in which that might be embedded as part of a much broader commitment by the British nation to encouraging people to understand the value of mutuality and reciprocity. It is why I believe that there can be no political party in this House or beyond that would doubt the importance of the experience that young people will gain from National Citizen Service.

Embedding, as I know from my time in Government, is a critical feature of something surviving. I will come in a moment to the issue of one endeavour that I was involved in, namely citizenship education, but many good things foundered because there was not the commitment of subsequent Ministers or even the same Government to the initiatives started. If this Bill enables us to embed that experience for young people and then build on it, so much the better.

The antecedents are substantial. Almost 20 years ago, we commenced the initiative Millennium Volunteers, which built on a number of volunteer programmes—again, full and part-time—that already existed: Community Service Volunteers, of which I was once a member of the trust and which is now Volunteering Matters; the Prince's Trust with its short programmes; the national Conservation Volunteers; Groundwork; and very many other initiatives that led to some subsequent government initiatives as well. I pay tribute to Dame Elisabeth Hoodless who, over her many years leading CSV, pioneered the idea of an experience for all young people and the issue of full-time service, which I know my noble friend Lady Royall will refer to in greater detail.

I want to spell out three things. First, it is critical that the National Citizen Service follows an existing pattern of commitment by young people to the idea of citizenship and commitment to others. That is why it is critical that the review the Government undertake of citizenship education and related issues takes into account the vital nature—not just for recruiting young people to NCS but for their own growth as young

adults and the commitment they can make to society—of ensuring that citizenship education is reinforced. At the moment, there are real dangers. The numbers being trained to teach citizenship has fallen dramatically. The in-service continuing professional development is at risk. The question of those encouraged to take the GCSE, even though it is a core subject, has been in considerable doubt. Of course, A-level citizenship is to cease, along with a number of other A-levels over the next two years. Frankly, that requires a further look and review. The regulator and department should be much more on the ball in terms of what is happening in future.

We have the Government talking at great length about character education, as though that can be taught outside the broader experience we are debating this afternoon. Of course, we have the Prevent strategy. None of these things can possibly be seen in isolation. They are critically linked together in terms of developing that experience of giving and receiving.

When I was 16, I volunteered to go and see an old lady called Mrs Plum. I used to go every week in term time until, two years later, I was leaving the school for the blind to go back to Sheffield. I went to tell Mrs Plum that I hoped I had been some help to her over the two years. As soon as I told her I was returning to Sheffield, her response was, "Well, David, I really hope I've been some use to you over the past two years". This is of course a reciprocal venture. We give and we gain. Volunteering shows that. As the Minister described, it builds the confidence, self-esteem and outward-going nature of young people. It helps develop their understanding of the world around them. It also teaches them how much value they can give to others, and what a reward that can be.

The opportunity for volunteering needs to be widened. As I said a moment ago, this should be an experience that flows from already understanding why social action matters and why Step Up To Serve, with the uniformed organisations, is important.

I pause only to make an appeal that I have made many times in my life: voluntary organisations committed to and working with young people should work together. People think that the voluntary sector, the charity sector, which I have always embraced, is full of loving people who desire to work together and want nothing more than to encourage other organisations. I wish it were true. Unfortunately, it is not. What the NCS Trust is doing is not a threat to other organisations, uniformed or otherwise; it is an opportunity for them to work together. The NCS Trust needs to learn more about how to work collaboratively, but so do many other organisations, because this can be a win-win if people are prepared to commit in that way. So what comes after the National Citizen Service, as well as what went before it, is absolutely critical to success.

I hope we will be able to build on this with whatever review the Government feel is appropriate. If it is not going to be a commission, I hope it will be a serious review of how we can make this work for every young person and expand the experience in terms of what they gain from the NCS: the four weeks, including the residential; mixing with young people from very different backgrounds, which the Minister mentioned; and the

[LORD BLUNKETT]

way in which social action is encouraged and young people are thereby enabled to understand the impact that they have on others. I hope also that it will encourage full-time opportunities, perhaps leading to a year of service. No doubt my noble friend will refer to this.

I need to put some questions to the Minister. This is an exploratory endeavour in which we are on a journey together, and putting the quality of outcome before numerical targets is essential. My own Government, including in the eight years I was in Cabinet, were bedevilled by setting targets and if we did not meet them it looked like failure. The present Government do it with inward migration. It does not matter how well you do, if you set an impossible target you will always fail to achieve it, with the consequence that people believe that you have not achieved the outcome. In this case, the outcome is the experience gained by young people. Therefore, the 92,000 who were on National Citizen Service this year is a phenomenal achievement in the time it has taken to build that outcome measure. My first request is: please do not set targets that are impossible to meet and result in diluting the brand and undermining confidence in it.

My second question concerns the transition. The Minister mentioned this, but in mechanistic terms. There has to be a commitment to transition from the existing board to the oversight under the new arrangements. Please let there be time to do that. If not, there will be a dislocation in that transition process which will be damaging to young people.

Thirdly, please reinforce again and again that this is going to be independent of government. It cannot be a non-departmental public body. Young people do not like government schemes. It is just a fact. If we have not learned it bitterly over the past 40 years, starting with the youth training programmes, we might learn it now. Maximum independence, with proper oversight and accountability, is essential. I understand oversight and accountability. I understand that the Government have had their fingers burned in recent years with large sums of public money, which have to be accounted for and must be used wisely. But let us try to get the balance right. Control-freakery is not a feature of an individual Government; it is built into the psyche of government processes and procedures.

Finally, can we make sure that the transition includes independent scrutiny of who is appointed? It is my view, and that of the National Citizen Service Trust, that it would be entirely wrong to have a formal government or opposition appointee on the board. Obviously, the chair is appointed through government but the board should be appointed openly through normal public service recruitment programmes and should be seen to be independent. The board should not be paid. Those of us who serve on the board currently would be horrified to think that we were receiving funding for doing the job. I want to pay tribute to Stephen Greene, the present chairman, who has freely and readily given the most enormous amount of time to getting NCS off the ground and making it work. He is committed to the future.

We no longer have a duty on public bodies in the Bill; the original draft did. I hope that there will be an entitlement built in so that schools, multi-academy

trusts and local authorities will not feel that this is an imposition, but will take on board the idea of an entitlement for young people to feel that this is something that builds a generation for the future. I believe that we can do it together if the Government are prepared to listen to any sensible suggestions made during the passage of the Bill to enhance its support and its impact. If these suggestions are helpful, so much the better.

I know that this afternoon, those who speak will do so from the heart, because all of us, from all parties, care deeply that we create a nation with a commitment to giving to each other, to opening up civil society and democracy, and to making sure that what we do for young people is more than simply teaching them the basics, but teaching them the foundation for life. That is why I am prepared to give my wholehearted support to seeing the National Citizen Service, along with its partners, succeed in the future.

3.32 pm

Baroness Barker (LD): My Lords, I regret that I have to begin with an apology. For the first time ever in my time in your Lordships' House, I will not be able to be here for the end of the debate. I apologise for that: it is the first time that has happened, and I really hope it will be the last.

I asked to speak today because there are a number of points that I feel have to be made. This is an intriguing Bill, one that sets a challenge for your Lordships' House. I say that because the fact that the National Citizen Service provides young people with a great opportunity to meet new people, try new activities and develop skills and confidence at the critical age of 16 or 17 is not up for debate. However, pretty well everything else in this Bill should be.

The decision to spend £1 billion on one project at a time when public services for young people are being decimated is a political decision that the Government will have to take and will have to defend. No doubt they can do that. There is a much more fundamental question, however, to which this House needs to have an answer. Why is such a large amount of money being given to a single organisation that has a comparatively weak track record in the field? The Minister will no doubt point to the fact that the Cabinet Office spent a considerable amount of money—I wish he would tell us how much—on commissioning surveys into the effectiveness of NCS. I urge your Lordships to read the survey report that has been produced by Ipsos MORI. It is a very extensive and elaborate evaluation and produces some excellent statistics. In particular, the cost-benefit analysis that it provides is exceptional. It points out that for every pound spent on the scheme, between £1.25 and £4.65 of benefits accrue from it. That is impressive stuff, and any charity or voluntary organisation would be happy beyond measure to have those sorts of data at their fingertips.

There is, however, one big flaw in that evaluation. It was not a comparative evaluation: it sheds no light on the question of whether this service could be delivered more effectively and efficiently by anybody else. It does not do that because the question was never asked. To go from the state in which the NCS has been over the past few years, with exceptional government support, to a huge infusion of funds on the basis of

some flawed research is really quite dangerous. It falls to your Lordships' House to do the due diligence on this proposal, which has not been done by the Government so far.

I have not been able to find the audited accounts of the National Citizen Service; I am sure they exist but they are not available on the organisation's website. Will the Minister ensure that a copy is available to Members of your Lordships' House along with the organisation's annual report? According to the last available audited accounts, roughly what was the income of the NCS, what was its rough expenditure and what level of free reserves did it have at the time of audit? I ask that because it is important information for your Lordships to know before we invest this amount of money into the organisation.

While I could not find out as much as I wanted about the NCS, I looked in some detail at the work of its biggest delivery partner, The Challenge Network. I did so because it sent me a briefing, as it probably did to other noble Lords. This charity was set up in 2009 with five employees; today it has 700 staff, an income of £53 million—£47 million of which comes from the NCS—and it has free reserves of £9 million. In a period when hundreds of charities have either merged or closed altogether, this one has had a charmed existence. However, as demonstrated by its annual report, particularly its accounts, it is almost wholly dependent on central government for its funding. So we have a proposal to invest a lot of money in the NCS when its biggest delivery partner is similarly reliant on continued central government funding. We have a duty to examine that in some detail because I am not convinced that it is a recipe for sustainability.

Unsurprisingly, other organisations in the voluntary sector have raised questions about this huge investment into one particular organisation. They have done so because they can see that in these straitened times it is not so much a competitor as a game-changer in terms of its impact on local volunteering. Here I pick up the points made by the NCVO when it asked that the NCS should have a duty upon it to have further and better collaboration within the voluntary sector. I take the point made by the noble Lord, Lord Blunkett, about the mythical view of the voluntary sector as a place where sweetness and light reign: my own personal experience is that in the voluntary sector people do not stab you in the back simply because it is quicker and easier to stab you in the front and they have the moral authority to do so.

Given that there is likely to be a significant reduction in money for volunteering, particularly from local authorities, we need to ensure that if this is going to be the big volunteering game in town then it is done in full collaboration with, particularly, local organisations and small organisations. The briefing from The Challenge Network prayed in aid the fact that results could be achieved only by big organisations that had the economies of scale to deliver them. What ought to be running through people's heads when they read phrases like that is the Work Programme, under which investment that was promised for small voluntary organisations did not happen and big suppliers like A4E were found wanting.

Great claims have been made for the National Citizen Service. It claims to be unique in its extent and reach with young people from all sections of society. Members of your Lordships' House who are also Members of the Select Committee on Charities would have heard the Church Urban Fund making similar claims last week. We therefore need to interrogate the uniqueness of the claims made by NCS and its backers.

In introducing the Bill at a meeting with Peers yesterday, the Minister said this Bill is intended to make NCS more sustainable and accountable "if it receives more public money". That seems to lie behind the decision to make it a royal charter body. It is intriguing that the Government have chosen the most cumbersome governing structure possible. Other royal charter bodies often talk about just how difficult it is to make even minor changes to their governing documents because they have to get Privy Council approval. No doubt, the Minister will say that the Government are doing a belt-and-braces job. It looks a lot more like belt-and-braces and a load of cement. We have to consider whether this is the best treatment and why this organisation is being treated in such an exceptional way.

Charities and voluntary organisations are under great pressure to prove their efficacy and efficiency. They have to compete for funds, deliver contracts and prove their worth to funders. It is right and proper that they should. In those circumstances, this decision to treat this organisation on exceptional, favourable terms must be questioned. We have seen what happens when Government become enthralled by a particular organisation, such as Kids Company or A4e. When £1 billion is at stake we really should not allow such a mistake to happen again. I look forward to receiving answers from the Minister in due course and to detailed consideration of this Bill in Committee.

3.41 pm

Lord Maude of Horsham (Con): My Lords, I am glad to have the chance to speak in this important debate. I was involved early on in the life of NCS. When David Cameron appointed me Minister of the Cabinet Office in 2010, straight after the general election, he said: "Oh, and by the way, you'll have responsibility for implementing National Citizen Service". Knowing as I did that this was very much his personal vision, personal idea and pet scheme, it was perhaps not the most reassuring task to be given. I am hugely grateful to my colleague Nick Hurd, who was my deputy in the Cabinet Office and who very personally, in a very hands-on way, took responsibility for making this vision a reality. It was a huge privilege and responsibility for us both to take this through. It was designed and conceived as a rite of passage for young people from childhood to adulthood. It took them out of their comfort zone. It brought young people together from all backgrounds; it was of the essence that there was a social mix and that this was a process of young people getting to know people they would not have otherwise come across.

I urge your Lordships, if you have the chance next summer, to go and visit some of these schemes and talk to the young people, because you will hear some incredibly moving stories. I visited many schemes over

[LORD MAUDE OF HORSHAM]

this period and talked to hundreds of participants, and a couple of stories stick with me. I asked a young Afro-Caribbean girl from south London what she was getting out of it and she said: “It is often said older people don’t understand young people. What you don’t understand is that young people often don’t understand each other”. She also said: “I have spent time in this scheme with young people I would have thought came from another planet and yet I find we have the same interests, the same concerns, the same anxieties and the same kind of aspirations”. The story that that told me of the social cohesion that can come out of the small-scale stories here was powerful.

I also recall a young man in one of the schemes in Yorkshire. I asked him what he was getting out of it and he said—this has always stayed with me—“I always thought I wasn’t very likeable and yet I have come here in a different context, out of school, out of the existing relationships, put in with a lot of other young people who I didn’t know, and I have made friends in a way I wouldn’t have made friends before”.

If you talk to the staff, they will all say that in the short weeks that the NCS scheme takes, you can see almost before your eyes young people maturing, growing and becoming bigger people. That is incredibly powerful and moving. When you talk to the young people and ask them what they are getting out of it, they will all talk about getting more confidence; they are becoming more confident. The reality is that there is a social and economic payback from the scheme. Some of it is short term, for sure, but some of it will be much longer term. You get young people who know themselves better, know each other better and therefore know their country better; who are more likely to be ready for work and employable when they leave school; and for whom social action is much more likely to have become a habit.

I am delighted that the Bill is making the scheme permanent. That is really important. I give credit to Members in other parties who have embraced the scheme. When the scheme was very much the personal vision of one Prime Minister from one party, it would have been easy for other parties to want to stay clear of it and for a potential different Government to want to change it. I pay particular credit to the noble Lord, Lord Blunkett, for the part he played in gaining wider support for it across the parties.

The Bill makes the scheme a permanent feature of the landscape of our nation, and that is extremely good news. I have one or two issues with it. I think it is fair to say that the journey from 2010 to here was not always easy. At the beginning, officials wanted us to issue a White Paper. That is normally the response of civil servants—I say that with a little trepidation, a few feet away from the former Permanent Secretary to the Treasury. We resisted a White Paper: we did not want it to be set in stone, we wanted to get on and do it, try new ways of doing things, see what worked and develop it on that basis. That has been the approach all the way through, and it will be incredibly important in the years ahead that it does not become set in stone; the new trust must want to innovate.

In the early days, many of the existing youth organisations rather resented what we were doing. They thought it was distracting money from supporting their organisations. Then, when we had resisted that, some of them tried to persuade us to badge what they were already doing as NCS. I remember several of them coming to say, “We do something pretty close to this, so why can’t we just get the credit and the money for it?”. We said, “No, this is distinctive, new, doing something genuinely different from any other scheme”. It was important that we were rigorous in insisting that it remained different.

Then, when it became too big for it sensibly to be managed in-house by our brilliant team in the Cabinet Office, we were urged to create a quango. I so strongly endorse what the noble Lord, Lord Blunkett, said: that it must not become an NDPB—or whatever the initials are. We resisted that; we insisted that the NCS trust should be genuinely independent of government. Obviously, we were going to take a very close interest in it, because it was disbursing very large amounts of public money, but I believe that it was right for it to be wholly independent from government.

We faced the same argument when we were setting up Big Society Capital, the world’s first social investment bank, taking money from dormant bank and building society accounts and putting it into a social investment bank to support social enterprises and charities. This was the brainchild of Sir Ronald Cohen. The previous Labour Government had planned that it should be a quango, but again we insisted that it should be totally independent from government and unrestrained by the sense that the Government were always looking over its shoulder.

The royal charter approach gives it permanence, which is important and a clear positive. The danger is that the independence becomes imperilled. I do not think I have heard the phrase arm’s-length body here but when that phrase is used it is normally meant to convey the sense that it is at a distance from government—but as we know, of course, at the end of an arm is a hand, and the hand can be used to hold and control the body. That must not be the case with this new entity.

Of course I understand the need for accountability with very large amounts of money. I do not think that I am open to accusations of being cavalier about public money. The work I led in the Cabinet Office in the last Government saved the taxpayer more than £50 billion accumulatively, so I take the responsibility for public money pretty seriously. However, it has often occurred to me that the Civil Service is often much more interested in scrutinising to death how others spend public money, rather than in how government itself spends money. We need to beware of the danger of creating accountability to the extent that it inhibits the entrepreneurialism which is important here.

I agree with the noble Lord, Lord Blunkett, on the appointments. I would go further than he did and say that the Government should not even be appointing the chair of this body. Yes, the chair should be subject to approval by the Government. I agree with the noble Lord that Stephen Greene, the current chair of the NCS Trust, has been brilliant. He is entrepreneurial,

passionate and knowledgeable; he has devoted a huge amount of time and energy to making this work. However, he is unconventional, and frankly I doubt whether he would have survived going through the often tortuous process of the public appointments morass that we often struggled with.

I support the Bill but I hope we can explore in Committee how it can be less of an arm's-length body and more of a body that is located at least one step away from government so that the Government can intervene—that is obviously necessary with this amount of money being spent—but not day by day, week by week or month by month. It should be at a distance where, to intervene, the Government have to do something proactive so that this is not routine control. It needs to be an event out of the ordinary that prompts intervention by the Government. I hope we can explore that as we take this important Bill forward.

3.53 pm

Baroness Royall of Blaisdon (Lab): My Lords, it is a pleasure to support this Bill but of course it needs and deserves proper scrutiny and proper amendment in due course.

At the start, I have to associate myself with everything my noble friend Lord Blunkett said about citizenship lessons, which I believe are critical for the well-being of our civic society. I trust that the Government will not only do more but will review the present lamentable situation. I am grateful to the Minister for his comprehensive introduction to the Bill. I am a great supporter of volunteering for people of all ages. It is good for the volunteers, for the people whom they serve and for society as a whole. However, my one concern at this time of financial constraint, including in vital local authority services, is that volunteers are increasingly required to fulfil rules that should be undertaken by public services. However, this is not the case with young people and it is not the case with the NCS.

Sitting on the Labour Benches, I am of course partisan but I warmly welcome the initiative taken by David Cameron in establishing the NCS and enabling it to grow over the last four or five years. It is a tribute to Michael Lynas, who does a fine job as the chief executive officer of the trust and his team that the trust has successfully grown and retained the support of all political parties. That must and will continue. I also pay tribute to the fantastic volunteering organisations up and down the land that work with young people.

As we have heard, and as the charter makes clear, the *raison d'être* of the NCS is to promote social cohesion, social engagement and social mobility, to boost the confidence and resilience of young people—and that is exactly what it does. I have to admit that, when I was first introduced to the NCS, I was sceptical and I assumed that like many other projects, it would be dominated by middle-class youngsters whose parents knew how to get the best out of the system for their children. However, my fears were assuaged when I talked to graduates, who told me of their fantastic experiences, spending time with people who in their daily lives they would never come across, because so many of us live in ghettos, rarely meeting people whose lives are different due to class, race, religion or

disability. I now know that is one of the great strengths of the NCS—bringing people together, breaking down barriers and enabling them to establish lasting networks. It has also enhanced participation in civic society, encouraging young people to take an interest in debate on matters of local or national interest—working with Bite the Ballot, for example, to promote their understanding of how to participate in national and local elections, thus empowering them.

The Prime Minister, Mrs May, has talked much about social mobility, which is encouraging, but it should not be thought that the expansion of NCS was a silver bullet. It is but one tool—albeit a very necessary one—in the tool box. While the NCS has my strong support, and I welcome this Bill, it is in my view not ambitious enough. While not undermining the NCS in any way, it could do so much more to sustain the sector and embed the concept of volunteering in our society. When a young person has volunteered, they are not only more able to meet the challenges of future life, they also enhance their employability. I have spoken to several large employers of late, who say that when considering the CVs of young people applying for apprenticeships, graduate training or other employment, more and more weight is given to the social action that they have undertaken. That is why it has become more and more important to ensure that all young people, including especially the hard to reach, can take up the opportunities to volunteer. I know that this is the intention of the NCS, but it is not explicit in either the Bill or charter, and reaching the hard to reach requires intensive action and funding. We should therefore table an amendment making specific reference to attracting the hardest-to-reach young people. There are some NCS projects relating to hard to reach and, if they are successful, I suggest that some of the funds should be ring-fenced for this specific purpose.

Social cohesion is one of the key principles of NCS. The experience and result of the Brexit referendum laid bare the depths of the divisions in our society. It will take time to heal those divisions, and working with young people is critical to foster understanding and inclusion. One group of youngsters in desperate need of understanding and inclusion are the refugees recently arrived, and still arriving, from Calais. If they could be included in NCS programmes when most appropriate for them, but as a priority, it would be fantastic for them but also for their fellow participants. I hope that the Minister would agree that we ask NCS to take this forward. I firmly believe that NCS should not be seen or act in isolation. It should be part of the journey mentioned by the Minister—and here I declare an interest as a member of the advisory council of Step up to Serve, and a trustee of City Year. Individuals and society benefit most when a young person's journey is coherent and cohesive with social actions of many kinds, from primary school through to their 20s, from Step up to Serve, which promotes social action from the age of 10, to City Year and Volunteering Matters, which provide full-time volunteering opportunities for young adults.

NCS provision, while invaluable, must not be at the expense of other interventions and experiences of social action. What can and will be done to ensure that the grant funding for NCS will not dramatically change

[BARONESS ROYALL OF BLAISDON]

the ecosystem of youth social action, which includes so many excellent organisations? It is also extremely important that the funding committed to run NCS should not be at the expense of local services for young people. All noble Lords will be aware that councils have had to make difficult decisions to protect statutory services that support the most vulnerable children and young people, and local spending on youth services has fallen by an estimated £370 million since April 2010. It is essential that councils, which know the needs of their communities, should also be able to provide services, and I would be grateful for an assurance from the Minister that this will be the case.

The Minister, the sector and the NCS Trust have all said that the investment in NCS should help the wider youth social action journey, pre- and post-NCS. Will the noble Lord confirm that this is still the Government's intent? If so, will they consider an amendment to both the draft Bill and the charter to establish a further objective of the NCS Trust along the lines of supporting, and not undermining, existing provision that contributes to a coherent youth social action journey? This would ensure that NCS governance and decision-making truly understood how its resources and presence supported the wider journey, ultimately making it more likely that the substantial public investment in the trust went further in supporting young people and, importantly, gave confidence to the wider sector. It would also give permission for NCS to promote other opportunities more substantially and even invest in them.

As has been said, NCS represents a very large investment of public money. It is welcome that the Bill establishes scrutiny measures around value for money, but does the Minister agree that questions about value for money can be answered only in the context of other youth provision that contributes to the stated outcomes of NCS, and that this should be included in the welcome annual report to Parliament? Related to this, we should table amendments on reporting to ensure, for example, that NCS has to state how many young people have begun their journey with other social action organisations and how many people have gone on to further social action or volunteering opportunities. We would then have a clearer view of the journey and could act if necessary.

I am glad that the Bill states that the NCS must report on the quality of the programmes provided or arranged by the trust, but it gives no indication as to how quality should be judged. I would be grateful for clarification from the Minister on whether there will there be specific criteria or a peer-led assessment. The continued success of NCS will depend to a large extent on evidence of the change that it is bringing about in society—in the improvement that it makes to the lives of our young people. My noble friend mentioned outcomes and their measurement. I suggest that the Government should commission a longitudinal impact study on the life outcomes of graduates so that in future we will have hard evidence of its success.

The charter will, as intended, help the NCS Trust demonstrate its independence from government and party politics, although we should be under no illusion about the ease with which a charter can be amended by a Government working through the Privy Council

with no proper scrutiny. In parenthesis, I very much regret that there was no consultation with the sector on the contents of the charter. I welcome the fact that both the Bill and the charter provide flexibility for the trust in delivering its objectives. As many in the sector know, my own view is that young people should be required to give back more in terms of volunteering after they have graduated and following the considerable investment by society. This is not just a matter for NCS; it is a matter for wider society, which should provide quality volunteering opportunities and leadership. There are so many tasks to be fulfilled which could improve and enhance our communities and, while there are many excellent voluntary organisations, sometimes the leadership is lacking—perhaps understandably, given our busy lives and daily treadmills. I hope, however, that, working in partnership with councils and local voluntary organisations, NCS will be able to ensure that there is a commitment to local volunteering that goes way beyond the short-term confines of the scheme.

Finally, I turn to City Year, our campaign for a legal status for full-time volunteers in the UK, and the opportunity wasted by not including this, or even the concept of a year of service, in the Bill before us. NCS is an important part of a mosaic of volunteering opportunities and it cannot thrive in a vacuum: it must be part of the journey. It is vital, more than ever, to give the next generation the chance to play their part in shaping our country, and themselves, through service to others and NCS must not be the end of those opportunities to serve. That is exactly what City Year does. It recruits young people to give a year of service, working in schools in high-poverty communities to bridge the gap between what pupils actually need and what their schools are designed and resourced to provide. It changes the lives of students in the schools and it changes the lives of the young people who serve. It transforms lives and it also changes the outcomes of schools in the most disadvantaged areas. It is a win-win situation and we want to expand. Society needs us to expand for social and economic reasons, but there is a problem—a barrier.

While City Year UK and Volunteering Matters are set up to provide full-time volunteering opportunities, and other charities such as the excellent Scout Association, vInspired and Mayday Trust use full-time volunteers as part of their wider work, the volunteers have no legal status.

This means that full-time volunteers are defined as NEETs—not in education, employment or training. Not only does this make the young people feel they are part of the problem when they should be—and are—part of the solution, it means that they are not entitled to national insurance contributions, which would protect their pension contributions. Full-time volunteers can be given expenses by their charity, but charities are forbidden from paying expenses if the volunteer is ill. Volunteers are also forbidden from receiving personal development training or help from the charity they serve when they look for jobs at the end of their programme.

This is clearly a crazy situation. In America, France and Germany full-time volunteering—referred to as “service”—has a legal status, and engages not hundreds

but hundreds of thousands of young people every year. Those Governments provide awards, such as discounts on university fees, for participants, who also get cards that give them the discounts for trains and cinemas that students enjoy. Their experience comes with a respected government-endorsed brand, and they are sought after by employers keen to hire young people with maturity and real-world experience.

I am passionate about a year of service, and the need for recognition by the Government in terms of a legal status grows by the day. City Year UK currently works in education, but there is so much more we could do in health and social care, in environmental protection and in heritage. As the evidence from the wonderful AmeriCorps programmes demonstrates, young people undertaking a year of service do not take the places of full or part-time employees. Trade unions, public services and business all recognise that they provide added value. That is exactly what we need in this country. We have a crisis in social services, some of it due to isolation and loneliness; when we suffer an environmental crisis, such as a flood, there are seldom enough people to provide immediate help and support for citizens and the emergency services. So much more could and should be done, in addition to the extraordinary work by City Year in schools.

There are rumours that the Government are going to set up a commission to look at the concept of a year of service and the introduction of a legal status. I ask the Minister: will this become a reality, and if so when? Why was it not included in this important but rather sparse Bill? With those questions I will finish, reiterating my strong support for NCS and this Bill. I have no doubt that the Minister is in listening mode, and I hope that in Committee the Government will both accept amendments and come forward with their own amendments to address some of the issues raised today.

4.07 pm

Baroness Scott of Needham Market (LD): My Lords, I join in the thanks to the Minister for introducing this short but important Bill. In doing so, I declare an interest as a member of the advisory council of NCVO. I am also a vice-president of the Local Government Association. I have spent most of the past 30 years in various forms of public service, and in different ways, most of the people I know are also involved: they are active in their communities and they volunteer. I think that we would all agree that our lives are enriched by that experience. The noble Lord, Lord Blunkett, is right to say that the benefits of public service work both ways. So if the creation of NCS opens that sort of opportunity for more of our young people, that is, of course, to be heartily welcomed.

However, this large project, serving some 300,000 young people, will come at a cost of £1 billion in the forthcoming five years. That is not a reason not to do it, but it is a reason why we should look very carefully at all aspects of the scheme—starting, of course, with the legislation that establishes it. Having set budgets in local authorities for some years, I am always acutely aware that expenditure on one thing means that you do not have that money to spend on something else, so it is simply not good enough to say we should do

something because it is a good thing to do; the question is whether it is the best thing we can do. In its briefing, the LGA points out that this investment is being made at a time when most local authorities have spent the past few years cutting services under their youth budgets because of cuts in their own financial settlements, and we have heard from my noble friend Lady Barker about the quite stringent conditions under which many charities are operating.

It is interesting that there has been quite a sea change in the past few years in that more young people are volunteering. I have seen reports that there has been a 52% rise in youth volunteering. To some extent, social media and online tools make certain sorts of voluntary engagement easier than they have ever been. For that reason, it is important for this scheme to have a relentless focus on those who are hard to reach or disadvantaged through poverty, disability, dysfunctional family lives and so on because they are the ones who potentially have the most to gain. For people with serious disadvantage, a cost of £50 is a big hurdle, so I was pleased to hear the Minister comment on ways of making that affordable. That should be one of the key indicators when Parliament carries out its scrutiny.

The National Deaf Children's Society raised very important points about the cost of delivering the programme to young people with particular needs, such as British sign language interpreters or speech-to-text reporting. It is currently left to NCS providers to meet the cost of supporting disabled young people, and they are concerned that this funding will not be forthcoming. I am sure that similar issues would arise with visually impaired young people and those with other disabilities. I have a close family member dealing with ME. I hope that there will be enough flexibility in the scheme to manage those sorts of difficult intermittent conditions.

It is very important that we focus on how this scheme is to be promoted within hard-to-reach groups. I am a bit concerned about the emphasis being put on mailings from HMRC to promote it as that seems rather dependent on parents receiving mailings and then acting on them. In dysfunctional families, this may very well not happen, and those who need it most may be passed by.

I was also very taken with the comment of the noble Lord, Lord Blunkett, that young people do not like government schemes. If they do not like government schemes generally, something coming from HMRC might be particularly problematic for them. I know that there are wonderful people in HMRC—indeed, I am married to someone who works for HMRC—but there is a question about the tone of that very first engagement coming from HMRC. It also seems odd that in a scheme designed to transition young people into adulthood, the first engagement is through their parents. I am not entirely sure that we have got that right. I know that local authorities have fought very shy of becoming too closely involved with this, but they certainly need to be involved in a whole range of ways. I also wonder whether there is an opportunity to work with local authorities on voter registration in the context of this scheme because it seems to me that a great part of becoming a citizen later in life is to vote when you have the opportunity.

[BARONESS SCOTT OF NEEDHAM MARKET]

To a large extent the success of this scheme will depend on the providers, so I have been interested to hear from a whole range of people who have been involved so far as well as from NCVO and other parties. While there are some areas of disagreement, they are not significant and there is widespread consensus on a number of things. The first is that the scheme must sit firmly within the context of the whole of a young person's life from the age of five to 25 and not be about just this brief period. Secondly, we need to ensure that the whole experience is of high quality and, as Justin Davis Smith, formerly of NCVO, put it, that the programme becomes the, "must-do choice for young people".

I think that is right.

Thirdly, the programme needs to sit within the wider volunteering system and make effective use of the knowledge and expertise of specialist charities, social enterprises and providers, especially in their localities. The scale of this programme could mean that smaller providers get frozen out of the commissioning process, as is often the case. The social action part of the programme should be not just a one-off but the start of a long-term involvement with volunteering and social action. However, finding meaningful voluntary activity is not always easy. Voluntary organisations themselves need more resources to manage an influx of volunteers; without them young people either cannot participate or will receive a poorer quality experience as volunteers. Fourthly, partner organisations need to be effectively and adequately resourced. One of the existing providers, The Challenge, explained how it provides personal coaches for young people who have been involved with the criminal justice system or who have been in care. This is almost certainly effective, but, as we heard from the noble Baroness, Lady Barker, it is very expensive.

The Bill also makes a number of provisions to make the NCS Trust accountable to Parliament and the public, which is welcome. We have to acknowledge and, perhaps in later stages of the Bill, think about how we manage the tension between the sort of independence which the noble Lord, Lord Maude, talked about and the need to manage a very large sum of taxpayers' money. I got slightly nervous at the comments made by the noble Lord, Lord Maude, about the morass of public appointments. As boring as process sometimes might be, it usually ensures that you get a solid outcome in which people can have trust. With Kids Company we saw what happens when you have exuberant, charismatic leadership. It does not necessarily work well. We need to learn those lessons.

Conventional reporting—the annual report, the accounts and so on—can be of limited use. Charities now quite rightly focus on the impact they have, and NCS reporting should be exactly the same. Some of it will be qualitative, drawn on the experience of participants, but given this amount of public money, I expect to see a lot of data about the numbers of young people from disadvantaged backgrounds, those who complete the programme rather than just start it and those with disabilities. Over time, I expect some outcomes with regard to those who remain involved with voluntary service and to whether there have been impacts on employment, reductions in crime and so on, both on a personal level and in aggregate.

It is no longer good enough for something to mean well; we have to get it right. I cannot put it better than the youth social action charity City Year UK. In its briefing it said that it is vital, now more than ever, to give the next generation the chance to play their part in shaping our country and themselves through service to others and that NCS at 16 should be the beginning and not the end of those opportunities to serve.

4.16 pm

Baroness Stedman-Scott (Con): My Lords, I draw your attention to my entry in the register of interests, and I add my apologies to those of the noble Baroness, Lady Barker, because we need to get to our Select Committee. We have permission to leave—it is all perfectly legitimate.

I give the Bill my full support and, like the Bill, I will be short but focused in my remarks. The opportunity for young people to participate in activities which help them with their personal skills development and give opportunities to engage in teams to deliver positive community projects can only be for their and our good. It is also an opportunity for communities to see first-hand the abilities and contribution that young people can make. So often, communities have a poor perception of young people, and young people certainly have a poor perception of the communities in which they live. Sometimes these thoughts are justified on both fronts. NCS also gives young people from a wide range of backgrounds and abilities the opportunity to work together for the common good, which we sometimes lack in our society.

While I have no personal experience of the NCS programme, I have real-life experience of the way in which people are brought together by working on such projects. In his introduction, the Minister referred to organisations which had benefited from the activity of NCS, but let me talk about some of the benefits to young people from working on such projects.

One was in Glasgow, where young people who one might say were the most disadvantaged were challenged to work with a local church to paint the railings that surrounded the church and its land. It is fair to say that that had not been done for a number of years if not a decade, so it was no small feat. To start with, the church and community members were pretty suspicious and on edge, but as time went on they could see the difference that the young people were making to the church and they started to engage with them. They started to talk to them and thank them for what they were doing, and before long those wonderful members of the community who could cook were baking things for them, bringing them refreshments and talking to them. The young people could not believe their luck. The most important thing was that members of the community started to understand the personal circumstances of these young people and could appreciate why some of them had behaved in certain ways in the past. One young lad of 16 was a member of Alcoholics Anonymous. When he started to share that fact with some of the people in the community whom he had run ragged, their attitude started to mellow somewhat. If that is the type of change that NCS produces, it will be doing a great thing.

That leads me to another important point, which has already been mentioned. NCS must put all its efforts into those who are most socially excluded and who need every ounce of support in taking their rightful place in society. I have been grateful to receive a number of briefings on the Bill. One is from The Challenge, which is delivering NCS. It says that for a programme to have integration at its heart, it must include the hardest-to-reach young people. I agree with its recommendation that special attention should be paid to attracting the hardest-to-reach young people, and perhaps the Minister can give us an assurance that that will be the focus of the programme.

Building on that, I can see how much it means to young people to have the opportunity to take part in NCS, but what do they do when this short programme has finished? How will all their aspirations and hopes be taken forward, and what will be next for them? Will the programme be in danger of becoming a distant memory? It is a bit like the Grand Old Duke of York:

“He marched them up to the top of the hill,
... when they were up, they were up,
And when they were down, they were down”.

I do not know about your Lordships, but when you go on school trips with your contemporaries, you do things and feel absolutely wonderful, but then you have to go home and there is nothing there. I hope that this programme will be the start of a journey and that the young people who have coaches and mentoring on this short programme will continue to have them. I have said this before and I will say it again: if it were down to me, I would give every young person of 16 a coach until they reach the age of 18 or 19 to make sure that they maximise all the opportunities and reach a good destination on their journey. The point I am trying to make here is best captured in the briefing that I received from the NCVO. It says that NCS should be an entry point—a staging-post on a longer journey of social action and volunteering. It says that this should be the start and not the finish. I understand that some longer-term projects have been piloted and I would be interested to know from the Minister how these have gone.

I am not a great lover of bureaucracy in any sense, but I believe that it is in everybody’s interests that NCS keeps good, solid destination data, to which I think the noble Baroness, Lady Royall, referred. It should be a question not of saying, “I’m going to measure this because X number of people have been through it”, but of saying, “X number of people have been through it and this is where they are now”. Those who are doing well will need all the encouragement they can get, and those who need extra nudging will need somebody there to help them. So I believe that proper data collection and analysis of these young people is of paramount importance. Again, perhaps the Minister can confirm that this will be done. The noble Lord, Lord Blunkett, referred to the quality of outcomes, not the volume of inputs, and that is absolutely critical.

I thank the noble Baroness, Lady Barker, for raising the points that she did—she was very brave. I know that it is very easy to say what is good, but I think it is right that we understand how the sector will feel about a large sum of money. However, I am certain we will ensure that the Bill will mean that young people get

the best possible experiences. I hope that any young person embarking on NCS will see it as a first step on an exciting journey. I hope that we will have the route well planned and well resourced, and that the quality of support will be of the highest standard.

I can sense noble Lords’ interest in the next part of our proceedings on airport expansion. It is palpable, and I do not wish to stop them hearing about that. I will just say that these young people are just as important as how and where airport expansion takes place. Every time noble Lords hear the word “Heathrow”, which I am sure will be often, I ask them to think about the young people to whom this Bill relates.

Airport Capacity *Statement*

4.24 pm

The Parliamentary Under-Secretary of State, Department for Transport (Lord Ahmad of Wimbledon) (Con): My Lords, with the leave of the House, I will repeat a Statement made by my right honourable friend the Secretary of State for Transport in another place. The Statement is as follows:

“Last year, the independent Airports Commission delivered its final report under the chairmanship of Sir Howard Davies. I would like to pay tribute to the quality and professionalism of its work and express my thanks to all members of the commission. The report concluded that we needed more capacity in the south-east and put forward three viable options for expansion. It unanimously agreed that the proposed north-west runway at Heathrow presented the strongest case.

In December, my predecessor came to the House to announce that the Government accepted the commission’s assessment of the need for additional capacity, but made it clear that further work was required before making a decision on the location of a new runway. That work is now complete.

Mr Speaker, this is a momentous step for our country. The decisions taken earlier today, which I shall outline in a moment, are long overdue but will serve our country for generations to come. I know that some Members of the House have strong convictions on this issue, and everyone in the House will fully understand the significance of this announcement: the significance for jobs, for an economy which works for everyone, for passengers, for the global importance of our country, for the environment and for people affected by expansion—and also to send a clear message that Britain is open for business.

It is not an easy issue or a simple process. I make no apologies that we have taken time to get it right, but today shows that this is a Government unafraid to take difficult decisions and get on with the job.

Before I outline the decision the Government have reached, I want to explain how today’s announcement fits within the planning process, and the opportunities that Members of this House will have to contribute. In the new year, we will bring forward a draft national policy statement, which will include details of the proposed scheme. As required under legislation, this will be

[LORD AHMAD OF WIMBLEDON]

subject to a full and extensive public consultation, followed by a period of parliamentary scrutiny. Only once members have voted on the final national policy statement, and it has been designated, will the airport be able to bring forward a detailed planning application.

Strong connections with global partners and the ability to trade with new and growing markets are vital to securing Britain's place in the world. The United Kingdom currently has the third-largest aviation network in the world, behind only the United States and China and contributing over £22 billion to UK GDP. We have the second-largest aerospace manufacturing sector, which generates annual exports of £26 billion. Our aviation industry supports almost 1 million jobs and invests £1.7 billion every year in research and development. Last year, UK airports handled more than 250 million passengers—up 5.5% on 2014—and 2.3 million tonnes of freight. Heathrow is the busiest two-runway airport in the world and Gatwick the busiest single-runway airport. Indeed, the London system will be almost entirely full by 2030, with the exception of a small amount of capacity at Luton—and that will be taken up soon afterwards.

If we do nothing, the cost to our nation will be significant, amounting to more than £20 billion over 60 years through delays, fewer flights and passengers having to fly from airports elsewhere. In addition, the wider impacts on our economy will be in the region of £30 billion to £45 billion. That is why the decision we have reached today is so important to the future of our country—not just to tackle the immediate shortage of airport capacity but to set our country on a course to even greater prosperity for future generations.

I have spent a considerable amount of time this summer visiting the different schemes, talking to their promoters and assessing their strengths and weaknesses. I have been genuinely impressed by the quality of choice available to us and the detailed work that has been put into the three plans. Any one of them would bring benefits to our country. At the end of its work, the Airports Commission made a clear and unanimous recommendation to the Government: that we should accept the proposal to build a new north-west runway at Heathrow, subject to a package of measures to make expansion more acceptable to the airport's local community.

Since the publication of that recommendation, my department has studied in detail both its report and new and supplementary information that has emerged about the different options since then. The commission's report and that subsequent information formed the basis of the discussion that took place this morning at the Cabinet sub-committee.

As a result of that discussion, the Government have decided to accept the recommendation. We believe that the expansion of Heathrow Airport and the north-west runway scheme, in combination with a significant package of supporting measures on a scale recommended by the Airports Commission, offers the greatest level of benefit to passengers and business, and will help us deliver the broadest possible benefit to the whole of the United Kingdom. It will deliver the greatest economic and strategic benefits to our economy; it will strengthen

connectivity for passengers right across the United Kingdom; it will offer a major boost to freight operators; it can be delivered within carbon and air-quality limits; and, crucially, it will come with world-leading measures to limit the impacts on those living nearby.

In addition to the benefits identified by the commission, this scheme will deliver the connectivity and hub capacity the United Kingdom needs to compete with fast-growing European and Middle Eastern hubs. The airport's location means that it is more accessible to business and the rest of the UK by both road and rail. Access to Heathrow is more resilient and it is better placed as the national freight hub. Ultimately, it brings the largest benefits to passengers and the wider economy of up to £61 billion over 60 years. But we are not alone in this view: UK airlines and business are also clear that Heathrow is the right place to expand.

Before continuing, I pay tribute to the promoters of the other two schemes considered by the sub-committee. Both presented well-developed and compelling cases for new capacity. In particular, I would like to place on record that Gatwick, despite not being selected today, remains a key part of our national transport picture and will continue to do so in future.

I want to be very clear: expansion will not be at any cost to local people, to passengers or to industry. We must make three assurances: first, to make Heathrow a better neighbour. We must tackle air quality and noise, and meet our obligations on carbon both during and after construction.

Air quality is a significant national health issue which the Government take very seriously. That is why we undertook further work which confirms the commission's original conclusion on air quality that a new runway at Heathrow is deliverable within air-quality limits, and we remain committed to ensuring this remains the case. The airport has already committed to industry-leading measures to mitigate air quality impacts. Furthermore, the Government will grant development consent only if we remain satisfied that a new runway will not impact on the UK's compliance with its air-quality obligations.

The broader issue of air quality is one that the Government take very seriously indeed, and the updated evidence base shows very clearly that the biggest challenge we face is not the expansion of an airport but the level of emissions in built-up urban areas more generally. This is the very reason for our national air-quality plan.

I can also tell the House that, as part of my ongoing work on air quality, my department, along with Defra and the Treasury, has embarked on a joint project to identify further ways in which we can tackle this issue. By the time a new runway opens in the next decade, we intend to have made very substantial progress in tackling these air-quality challenges across our nation as a whole.

On the issue of noise, I say that no airport can be silent. Technology, though, is making aircraft quieter. The newer-generation aircraft coming into service have a noise footprint typically 50% smaller on departure than the ones they are replacing, and at least 30% smaller on arrival.

Although planes are getting quieter, they still have an impact. That is why we will expect a six-and-a-half-hour ban on scheduled flights each night to be a requirement for development consent. This would also see the airport held to clear and legally enforceable noise performance targets. So, even with expansion, fewer people will be affected by aircraft noise than today. We also recognise the importance of providing local residents with a clear, predictable timetable of respite from aircraft noise. This is something that local communities value today and we will ensure that it continues once a new runway is built.

I recognise that this decision will have a big impact on people who live close to Heathrow, which is why we have insisted on a world-class package of supporting measures. Those communities affected by the decision will be supported by up to £2.6 billion towards compensation, noise insulation for homes and schools, improvements to public facilities and other measures. For those people whose homes need to be bought to make way for the new runway, Heathrow will pay 25% above the full market value of their home and cover all costs, including stamp duty, moving and legal fees—an offer significantly above the statutory requirement. In addition, I can announce the creation of a community compensation fund and that local authorities will benefit from our policy of local retention of business rates.

The second assurance I want to give is on costs for airlines and passengers. A new runway would bring in new capacity to meet demand and allow greater levels of competition, lowering fares relative to no expansion even after taking into account the costs of construction. This is an investment in our country's future that will deliver major economic and strategic benefits to the UK, but it must be delivered without hitting passengers in the pocket. The Airports Commission was clear that this is achievable, as is the Civil Aviation Authority—not expansion at any cost but the right scheme at the right price. I expect the industry to work together to drive down costs for the benefit of passengers. As the regulator, the CAA will have a vital part to play in achieving this and ensuring that new capacity fosters competition. Its aim should be to deliver a plan for expansion that keeps landing charges close to current levels. I have full confidence in its ability to do so.

The third assurance I want to set out is around how the expanded airport will benefit the whole of the United Kingdom, not just by creating jobs across the airport's UK-wide supply chain but by giving even more UK access to important international markets by strengthening existing domestic links and developing new connections to regions not currently served. The airport expects to add six more domestic routes across the UK by 2030, bringing the total to 14, strengthening links to existing nations and regions such as Northern Ireland, Scotland and the north of England and developing connections to new regions such as the south-west.

I am determined that Heathrow will meet these pledges, and the Government will hold the airport to account on this. Furthermore, government will take all necessary steps, including where appropriate ring-fencing a suitable proportion of new slots for domestic

routes through public service obligations, to ensure enhanced connectivity within the United Kingdom. It is important to stress that this is a decision in the national interest and not just for the south-east.

So a new runway will strengthen the aviation sector across the whole nation, but we need do even more. Our airspace is out of date. Modernising it will boost the sector and help reduce noise and carbon emissions. We will soon bring forward proposals to support improvements to airspace and to the management of noise, including looking at how affected communities can best be engaged and whether there is a role for a new independent aviation noise body such as the commission recommended.

Finally, let me return to what happens next. There have been suggestions in the media recently that this process is slow or somehow delays construction. In fact, the opposite is true. Members will remember the saga of the planning process associated with terminal 5, which took years to resolve. Following that, the national policy statement process was designed, by the last Labour Government through the Planning Act 2008 and subsequently through the Localism Act 2011, to speed up major projects but in an open and fairer manner.

By setting out now why we believe there is a need for new runway capacity along with the supporting evidence we will fulfil our obligations to consult with the public and allow Members the opportunity to vote before it becomes national policy. That is what the law requires. This means that Heathrow will be able to bring forward a planning application safe in the knowledge that the high-level arguments have been settled and will not be reopened.

Today, the Government reached a view on their preferred scheme, and the national policy statement we publish in the new year will set out in more detail why we believe that it is the right one for the United Kingdom. It will also set out in more detail the conditions we wish to place on the development, including the supporting measures I outlined earlier. We want to make sure that we have considered all the evidence and heard the voices of all those who might be affected—and, of course, of all those who could benefit. The consultation will start in the new year and I can announce today that I have appointed Sir Jeremy Sullivan, the former Senior President of Tribunals, to oversee the consultation process. This is an independent role and Sir Jeremy will be responsible for holding the Government to account and ensuring that best practice is upheld.

The issue of runway capacity in the south-east has challenged successive Administrations for decades. There are strong feelings both for and against a third runway at Heathrow. This is not the same scheme that was previously supported in 2009. It does much more to mitigate environmental impacts, compensate communities and distribute benefits across the nation. This is an issue of national interest that touches every part of the United Kingdom, and which is vital to the economic prosperity and global status of our nation. I commend this Statement to the House”.

My Lords, that concludes the Statement.

4.41 pm

Lord Rosser (Lab): I thank the Minister for repeating the Statement made earlier today in the Commons by the Secretary of State for Transport. It is a Statement made against a backdrop of previous Conservative promises that, “no ifs, no buts”, there would be no third runway at Heathrow, a pledge given by the last Prime Minister and enthusiastically supported previously by the present Prime Minister and, it seems, her constituency local authority. The image of politics in this country has not been enhanced by today’s announcement in light of previous emphatic “no ifs, no buts” pledges, whether or not one thinks the now Government’s supported option announced today is correct.

While we welcome the fact that a decision on the preferred location for an additional runway has been made, I want to pursue the question of the status of that decision. Apparently there is to be an extended though undefined period of further discussion and consultation which could last for a year or more before a final decision is made by Parliament. Is that correct? Is this further consultation in line with the national policy statement process in respect of only the implementation of the preferred option of a third runway at Heathrow announced today, or could the outcome of the consultation lead to a further change of heart by the Government away from their now declared preferred option? I would like a specific answer on that point.

Put another way, can the Minister confirm that all three options in the Davies commission report for additional runway capacity in the south-east are no longer on the table, and instead only the preferred option just announced is still there, and that likewise doing nothing to provide additional runway capacity in the south-east is not an option unless Parliament fails to approve the preferred option in a vote? Are we now at the stage as far as the Government are concerned of, “no ifs, no buts, it is a third runway at Heathrow and we the Government will consider only representations made in respect of its development”? If that is not the case, then uncertainty apparently continues for a further year or more.

Do the provisions of the national policy statement lay down that the further consultation must be of the length of time now suggested in some quarters? If not, why do the Government believe that such a further period of apparently extended consultation is needed before a final decision is made by Parliament if the only issues to be considered relate to implementation?

We have already said that, having asked the Airports Commission to undertake its report, there would have to be overwhelming evidence that the report and its conclusions were fundamentally flawed for us to depart from it. We will now need to consider the Government’s preferred option and the evidence to support the reasons they are putting forward for reaching that decision. We will expect to see the conclusions—and the evidence behind the conclusions—of the further investigations and analysis the Government have undertaken over the past 15 months following the publication of the Davies commission report. Perhaps now, today, the Government can tell us what impact they have concluded the preferred option of a third runway at Heathrow will have on achieving our climate change objectives and why.

I reiterate the four tests we have previously set out that any proposal for airport expansion must meet: that robust and convincing evidence is produced that the commission’s recommendations would provide sufficient capacity; that the United Kingdom’s legal climate change obligations can still be met; that local noise and environmental impacts can be managed and minimised; and that the benefits of any expansion are not confined to London and the south-east. We have already backed the Airports Commission’s recommendation that a statutory independent noise authority should be created, although apparently the Government have not yet done so.

We recognise the need for additional runway capacity in London and the south-east. Heathrow has been full for a decade and Gatwick’s single runway is the busiest in the world. Yet even following the announcement today, an additional runway is a decade or more away. What do the Government intend to do to address the runway capacity challenges that exist at present and will continue to exist until that additional capacity is provided? Do the Government have plans to utilise existing capacity in the south-east—for example, at Stansted and Luton—or are there any intentions to change practices at Heathrow or Gatwick in the short term to increase capacity? Indeed, what plans do the Government have for improving our international gateway airports around the UK, not least improving surface access by road and rail? There is no mention of this in the Statement. Does that mean that there are unlikely to be further capacity increases at our other airports? What will the Government’s position be if Gatwick still seeks to pursue its second runway option?

The Airports Commission said:

“The additional income generated as a result of operating a third runway should be allocated in a new way, and the airport should be obliged to develop a better and more collaborative relationship with its local communities, as some overseas airports have done”.

It went on to recommend that,

“a number of measures should be taken forward, in parallel with the approval, construction and operation of any new capacity at Heathrow, to address its impacts on the local environment and communities”.

These measures related to a “noise envelope” and,

“a ban on all scheduled night flights”,

between specific hours. The commission also called for,

“periods of predictable respite to be more reliably maintained”,

and compensation for,

“those who would lose their homes at full market value plus an additional 25% and reasonable costs”.

The commission said that the airport operator should deliver on,

“its commitment to spend more than £1 billion on community compensation”,

which, together with,

“a new aviation noise charge or levy ... would fund enhanced noise insulation and other schemes”,

including support for schools. The commission also recommended:

“A Community Engagement Board should be established under an independent Chair, with real influence over spending on compensation and community support and over the airport’s

operations ... An independent aviation noise authority should be established with a statutory right to be consulted on flight paths and other operating procedures”, and called for:

“Training opportunities and apprenticeships for local people”, and:

“A major shift in mode-share for those working at and arriving at the airport”.

Finally, the commission said:

“Additional operations at an expanded Heathrow must be contingent on acceptable performance on air quality”, and:

“A fourth runway should be firmly ruled out”.

Should the final decision be an additional runway at Heathrow, we would expect those recommendations from the commission to be adopted and delivered. We will certainly insist that the Government set out very clearly and well in advance how they intend to ensure that those recommendations will be adhered to, what action will be taken to ensure that there is no backsliding and what action will be taken if there is. Will the Minister categorically assure the House that all of the commission’s recommendations, to which I have just referred, will be implemented?

The Government’s Statement, although it represents progress towards a decision, does not represent a final decision, since a final decision will not be taken for at least another year. Today, the House was hoping for a decision that represented certainty; it is unfortunate that the Statement falls short of that.

Baroness Randerson (LD): My Lords, I predict that the decision made today will solve nothing because it will be locked in legal challenge for years to come. It is a decision that answers the questions of decades ago, not today’s questions. It is bad for the environment and it is bad for the UK as a whole because still more investment will be poured into the south-east, ignoring the potential of regional airports such as Birmingham and Manchester. It is bad for passengers because they will pick up the tab in the end. The eye-watering cost of this project, which the BA chief executive has called “outrageous”, will, in the end, fall on passengers. The interesting thing is that the Statement hardly had a pound sign in it, and the figures that were quoted were largely speculative about possible benefits to the economy.

What estimates have the Government made of the cost to the public purse of this whole development? How much of the massive cost of infrastructure improvements, which are essential if the Government are to meet their promises on air quality, will the Government pay? We know that Heathrow is expecting airlines to contribute up front and that BA is refusing to do so, so are the Government confident that Heathrow can finance its portion of the costs?

This will inevitably lead to additional charges for airlines. What work has been done to ensure that airlines are prepared to accept those additional costs and will not simply move elsewhere? Are the Government convinced—because I am not—that passengers are willing to pay more to fly from Heathrow, because airlines will pass the cost on to them? Heathrow promises six more domestic routes by 2030 and in the Statement the Government promise to hold it to account. How do they plan to do that?

This will be seen as a decision for the south-east, but faced with the huge challenges of Brexit, we need to engage the whole of the UK, so what additional investment will the Government now allocate to the Midlands and the north to allow regional airports to develop and grow?

On air quality, the Statement makes bold claims, but there is not one tiny detail on how this pollution revolution is to be achieved. Can the Minister give us more information? I note that the Statement is much more downbeat on noise; it simply accepts the concept that it will be a noisy procedure.

Finally, I want to address an issue that was not covered in the Statement: the ownership of Heathrow, which is only 10% British-owned. Although the consortium that owns it has distributed £2 billion in dividends to shareholders in the past four years, it has paid only £24 million in corporation tax in the last 10 years. Will the Minister assure us that this airport, which will be favoured with so much public investment, will at least pay its dues in taxation?

Obscene amounts of money have been spent on persuading us and the Government that Heathrow is the right decision. We know the Conservatives are hopelessly split on this issue and have broken their promises on it and that the Labour leadership has flip-flopped backwards and forwards on it, but we on these Benches have remained steadfast for two decades.

Lord Ahmad of Wimbledon: My Lords, I will come to that final point at the end. Bearing in mind that the decision that has been taken is one that has been put off for generations, I was expecting a slightly more positive response from both the Opposition and the Liberal Democrats, but I will take those questions on.

The noble Lord, Lord Rosser, asked about the 2009 proposal. I have said repeatedly from this Dispatch Box that this proposal is markedly different. I highlighted in the Statement I made earlier that a major part of that is the mitigation measures, both in addressing issues of noise pollution and in the compensation package that has now been presented. Some £2.6 billion has been put forward as the overall compensation package, while £700 million has been allocated for specific issues relating to noise. Ensuring ventilation and specifically double glazing for schools and residences is a practical measure that is reflective of the concerns that local communities were raising.

The noble Lord raised the issues on the process of consultation. Again, as I alluded to in the Statement, the Planning Act 2008, in terms of the NPS process that was created from it, was set up to deal with precisely this kind of infrastructure project to ensure that there are no further delays. The process that the Government are now following and are committed to is reflective of the provisions of that Act. What will happen hereafter, again in response to the noble Lord’s questions, is to ensure that there is an effective airing, an opportunity for concerns to be raised and, yes, scrutiny of the decision.

The noble Lord asked about other options on the table. As I said a week or so ago to my noble friend Lord Spicer—perhaps it was a tad longer—the Government are focused on ensuring that, as the Davies commission

[LORD AHMAD OF WIMBLEDON] concluded, an additional runway should be delivered by 2030 in the south-east. That is where the focus is. Based on that, the Government have decided, after careful consideration of three viable options, that the new runway, the north-west runway at Heathrow Airport, is the Government's preferred option, and the NPS will be based on that option.

The period of time involved is very much part and parcel of the legislative process. One thing concerned me about the noble Lord's contribution: he himself acknowledged that Her Majesty's Opposition had declared that they accepted the Davies commission findings. So do we; I have said so repeatedly from the Dispatch Box. However, the important issue was on additional environmental mitigation measures. He asked about that, and I am pleased to tell him that if he goes on to the website he should find those additional reports and conclusions within the reports that we have now also made available through the GOV.UK website. If he has additional questions, I ask him to take them up with me in writing, or we can have a discussion. However, these discussions are being answered.

I believe that Labour's four tests that he articulated are met. He mentioned the statutory noise authority; I assure him that we will consult on that as part of this process. He mentioned the importance of regional connectivity; again, I stated in the Statement that regional connectivity is a key consideration, with six additional routes from Scotland to Northern Ireland and to the south-west. New routes will be created, and we will ensure that provisions are sustained to ensure local slots from the additional capacity that is created. Those are all parts of the Government's growing commitment to ensure that this is a decision that benefits not just the south-east but the whole country.

With regard to other airports, HS2 as a practical example will make the travel time from London Euston to Birmingham International circa 30 minutes. That is about increasing connectivity. Crossrail provides an additional level of connectivity across London through the Heathrow hub to ensure that through those extra slots our other regions are also better connected. Scotland has today welcomed the decision by the Government. The proposal for London Gatwick was very reasonable, practical, sensible, and, as I said, viable. Naturally, it is disappointed, but Gatwick remains part of the UK plc offering within the aviation sector.

There will be a specific six and a half hour ban on night flights which will be part of the planning process as we move forward. In terms of apprenticeships and local jobs, 77,000 jobs will be created as a result of the new runway. Over 5,000 apprenticeships will be created. These are much, if not all of what the noble Lord raised. It is not just a question of what is in this Statement, but the information that I have provided.

The contribution of the noble Baroness very briefly confused me. She said that it was bad for the UK. We are increasing capacity. If we do not increase capacity in the south-east for the benefit of the whole country, we are standing to lose a minimum of £21 billion. What is the Lib Dem solution? This is privately financed. Heathrow Airport has already committed to ensuring

that those transport surface requirements are fulfilled as part of its equation. There is not a cost to the public purse.

I have already covered regional airports. I have already stated quite specifically that pollution targets will be met under the national air quality plan. In terms of British ownership, there are companies in the private sector that are owned differently. It is not for me to respond, but Heathrow airport has demonstrably shown its commitment to ensuring that south-east capacity—in this case, London—based on regional connectivity will be of benefit not just to the south-east, not just to London, but to the whole of the United Kingdom.

5.01 pm

Lord Spicer (Con): My Lords, together with the noble Lords, Lord Soley and Lord Clinton-Davis, my noble friends Lord Mawhinney and Lord Naseby and other noble Lords, I have been raising this issue of Heathrow, its runways and the London system in general for almost six years, on and off, in your Lordships' House. As the song says, "you never get nowhere by being too hasty".

I shall ask two brief questions: one about Gatwick and the other about Heathrow. Does my noble friend agree that what Gatwick really needs is another terminal? The walkways to the aircraft are getting longer and longer. There is a massive crowd of people in the terminals now and at this rate everyone over the age of 50 will be pushed around in a wheelchair, which I suppose is one option. Gatwick does need, in my view, another terminal.

As far as Heathrow is concerned, does my noble friend agree that we now have a chance to reposition it again as the world's leading long-haul airport, which is what it was when I was responsible for it and which I am sure it can become again? If it does, the effect on our trade and our ability to trade will be dramatic.

Lord Ahmad of Wimbledon: I thank my noble friend for his consistent promotion of the importance of south-east airport capacity. He can also take some comfort and credit in that his persistence has today delivered. It is an important step forward now that the Government have given a commitment to a specific scheme.

On my noble friend's questions, it is now for Gatwick to decide. It has obviously accepted the decision that has been taken. As I have already said, I have visited Gatwick with my right honourable friend the Transport Secretary. We were impressed by its proposals and we will continue to work with Gatwick to ensure that it is very much part and parcel of our offering.

In terms of the overall airport offering for the UK and Heathrow, I agree with my noble friend. I wish to see London Heathrow, the south-east and the United Kingdom recognised throughout the world for its international connectivity which we are blessed with through our geographical location. However, we are now taking the decision to ensure we can provide that connectivity at a global level.

Lord Clinton-Davis (Lab): My preference is that Gatwick and Heathrow should both be expanded, but this decision is really about Heathrow. Although it has

been provisionally selected, we still have to wait, and there is considerable uncertainty about the future. Meanwhile, Paris, Frankfurt and Schiphol will not wait, and British aviation will, regrettably, pay the price. Is that right? The Government hesitate. Behind all the Minister's soft words, there is still hesitation, and there is no certainty that further delay will result in decisive action, which is what is required at the moment. Is there no possibility of speeding things up? Many people are divided on this issue. As a former Aviation Minister, I consider that we must act speedily, and the delay which the Minister recommends is not the right decision.

Lord Ahmad of Wimbledon: First, I assure the noble Lord that they are not soft words. I fully acknowledge that it may be a soft tone, which reflects the nature of your Lordships' Chamber, but the message is very clear. The Government have today made a decision regarding the three viable options presented to us by a thoroughly researched report by the Davies commission. We have taken the decision today to proceed on one of those options: the new runway at Heathrow. Linked to that, we are following the designated process as laid out in the Planning Act 2008. I am sometimes asked how other countries have done this or that faster. We have a specific planning process that we need to follow; otherwise we are into the realms of other challenges—and I do not for a moment doubt that there will be other challenges. We need to ensure that our processes are robust, stand up to scrutiny and reflect our legislative processes. In this case, the 2008 Act is very clear and the national policy statement will now follow.

The Duke of Somerset (CB): My Lords, first, we are not in an either/or situation. I think the Minister said that there would be no cost to the public purse, so is there any good reason why both Gatwick and Heathrow should not be allowed to develop an extra runway? This would provide competition for passengers and the extra benefits that the Minister outlined. Secondly, today's announcement will have placed a great deal of blight on householders on the site in question. When will blight compensation be payable for people who wish to sell their houses now?

Lord Ahmad of Wimbledon: First, on the point about allowing for both, the previous Administration under the previous Prime Minister commissioned the Davies commission to look at proposals specifically focused on single-runway capacity in the south-east. The Davies commission started with 50-odd proposals and whittled them down to three. The Government's focus is on delivering that single runway by 2030.

On the noble Duke's second question about compensation, we are now moving into those realms. I talked about proposing the NPS in the new year and starting the consultation. We have made very public the package for those who are impacted directly, particularly those who are losing their homes. They will get 25% above market value and the costs of stamp duty, moving and legal costs associated with their having compulsorily to sell their homes.

Lord Naseby (Con): My Lords, does my noble friend recognise that his Statement today was clear and delivered with great clarity? He is also to be

congratulated on listening on the compensation issues which have also been raised by my noble friend on the Cross Benches. There are other areas on which further work needs to be done. Will my noble friend the Minister look at noise abatement and the fuel efficiency of the aircraft that are likely to be coming out of Heathrow and used by the airlines in 10 years' time? It is clear from all the evidence in the press and, indeed, from the recent report from the honourable Member for Richmond—who totally ignored it—that this is not understood by the public. As an ex-pilot, I have had a look at it, and it is extremely encouraging. Would my noble friend therefore publicise it, as it is crucial in terms of living conditions under the flight path and every other dimension in this very good Statement?

Lord Ahmad of Wimbledon: I thank my noble friend for his comments. It is important, now that we are moving into the realms of the specifics, that he mentioned noise. In the Statement I alluded to the fact that technology is moving on and gave examples of new aircraft that are coming on board. The reality is that in 2030, with the measures proposed, fewer people will be impacted by noise, from current estimates of 770,000 to 610,000 people. There are reasons for that. I mentioned the night bans that will run for six and a half hours. I also talked about the £2.6 billion package which includes a £700 million proposal to insulate homes around the airport. An additional £40 million is proposed to insulate and ventilate schools and public buildings. Of course I take on board my noble friend's comments. I believe that as we move through the process of consultation and scrutiny of the proposals in the Commons and then on to the vote, and as the NPS comes to its final stage, many of the issues that my noble friend raised will be factored in.

Baroness Hamwee (LD): My Lords, I declare an interest as living under the flight path, and as president of HACAN—the Heathrow Association for the Control of Aircraft Noise. The announcement acknowledges that the current constraints do not fully work for residents by talking about “more reliable respite”. The Minister will be aware that the measurements of noise do not accord with residents' experience. I am sure he will also agree that the best predictor of the future is past experience. In asking what confidence residents can have in assurances and conditions, I specifically ask the Minister about the words in the announcement that,

“the government proposes new legally binding noise targets”.

Can he explain how robust “legally binding” targets will be? Can he also tell the House whether the Government have ruled out, or will rule out, a sixth terminal?

Lord Ahmad of Wimbledon: First, the noble Baroness has probably answered her own question. By saying that something is “legally binding”, we mean we will ensure that it is enshrined.

Baroness Hamwee: Targets.

Lord Ahmad of Wimbledon: I accept her proposition, however, that the judgment is often made by those who live under flight paths and have aircraft flying

[LORD AHMAD OF WIMBLEDON]

over them. The noble Baroness talked of her own experience. I assure her that I too have experience of planes flying over my own residence. I underline that the Government have outlined the importance they are attaching to the issues of noise and noise pollution. I also mentioned that we will consult on proposals on the noise commissioner and noise commission. That will be part and parcel of the consultation process. There are other measures such as setting up the local neighbourhood engagement board, which the commission detailed. That will also be part and parcel of the NPS and will be factored in as it makes its progress through the House of Commons.

Lord Soley (Lab): I commend this Statement because it is an important step in the right direction, but we are not there yet. I have been in similar situations over the last 20 years on this issue. Can the Minister make sure that he brings on board everyone in the regions—particularly the airports that are desperate to expand their economic activity—in support of this proposal? This is not, as the noble Baroness, Lady Randerson, said, something for the south-east. This is for the country. I say that as someone who has lived under the flight paths for 40-odd years, and represented constituencies under them for a quarter of a century. The loudest voices are not necessarily the most representative. There are many, many people in those areas who know how important this is for jobs and prosperity.

There comes a point in time—which, frankly, we have passed—when you have to put national need above local issues. I found in my many years as an MP that I could carry people with me on this when I explained its importance. Many young people at the jobcentres in west London know the importance of that skilled employment at Heathrow. Let us get on with this and make a plea to those who are opposed to it to look at the depth and quality of the evidence in favour—from business and from all the trade unions bar one—and say that this project needs to go ahead, particularly in the light of Brexit, and in the light of the needs of the British economy.

Lord Ahmad of Wimbledon: I agree with much of what the noble Lord has said. He has been a strong advocate for this and, based on his own experiences, shares my sense, as Aviation Minister, of the importance of getting this done. One assurance I can give the House is that by the time the runway is built in 2030 and fully operational, I may no longer be the Aviation Minister—I will hazard that guess, but time will tell. He raises two very important points about getting everyone on board and ensuring that we build this extra capacity, which is not only of benefit to the surrounding area in terms of local employment—more than 77,000 jobs will be created from it, and businesses will benefit. The noble Lord is also right to point out the support from the business community and the unions. He mentioned the airports, many of which across the UK have not just acknowledged but welcomed the fact that the decision has been made. In answer to his question about bringing them around the table, over the last couple of weeks I have had various engagements with different people involved with the aviation industry, which included a very practical working lunch—I

assure noble Lords that I had only the starter—with the Airport Operators Association, to ensure that the decision that we have taken today is of benefit to airports, the regions and the whole country.

Lord Howell of Guildford (Con): The noble Lord, Lord Soley, has put it particularly well and clearly. The need has been emphasised for all parties this week to avoid further political dispute to give as much support as they can in making this difficult and obviously agonising decision a reality, and one with the minimum disruption. Would the Minister agree that extreme generosity is needed when it comes to compensation? He mentioned something about giving the full market price and 25% above it, but what is the full market price for a home already blighted? We must be careful that the real, genuine full market price is recognised and not some mingy reduction imposed by our Treasury friends that does not really compensate for the appalling upheaval that many families will have to face. Will he emphasise that point to his friends, and will he bring home to all who challenge the strategic decision that it must be part of a much larger network with much closer links to regional airports, as has been mentioned? We want rail links that are really modern, and maybe tunnelled—and maybe with magnetic levitation as well, which has been used in many railway systems already around the world. We are already out of date on that point. Of course, as has been rightly said, we need a vast reduction in engine noise. We have been promising constituents—or I did when I had some—for 30 or 40 years that that would come about. It is not there yet; there is still a horrific roar, if you live under a flight path, as I confess that I do. It is time that the whole leap forward in technology produced nearly silent aircraft for the future.

Lord Ahmad of Wimbledon: First, I agree on the noble Lord's final point. As technology moves forward, it is important that manufacturers look at this issue. With the additional runway, the issue of respite for residents will improve. As for infrastructure and transport infrastructure, I totally agree with him. Just to clarify the point, when I talked about the market value, I was referring to the unblighted value—so it would be the market value as would exist in an unblighted form, not on the basis that this is near to the airport, in reflection of the challenges that certain people will face who will be subject to compulsory order. So it is the unblighted value, plus 25%.

Lord Bilimoria (CB): My Lords—

Baroness Tonge (Ind LD): My Lords—

Lord Young of Cookham (Con): I think it is the turn of the Cross Benches.

Lord Bilimoria: My Lords, it has taken a year since Howard Davies's report for the Government to make this decision and we all know why it was delayed. Congratulations to the Government on making this decision at long last: business has been crying out for it. However, the Minister himself has just said that this project is going to be completed “up to 2030”—13 or 14 years from now. Other countries are building runways

in a few years and many runways at a time. We want to invest in infrastructure: do this Government have the guts to do so? Let us look at the obstacles ahead: Zac Goldsmith has said that this is a,

“millstone around the Government’s neck”,

and that the plan is “doomed”. Our Foreign Secretary has said that it is “undeliverable” and that he sees,

“an inevitable fight in the courts and I think the chances of success for the proponents of the third runway are not high”.

Justine Greening, the Education Secretary, is opposed to Heathrow expansion. Even the Mayor of London, Sadiq Khan, has expressed his anger about the decision. Our Prime Minister expressed her opposition to Heathrow in 2009. With all of business crying out for this to happen but all this opposition, there is going to be a lot of resistance to it. As my noble friend said earlier, why did the Government not go ahead and allow Gatwick and Heathrow to expand? Does the Minister not agree that a Gatwick expansion could go ahead straightaway? Heathrow would happen sequentially thereafter, I hope.

Finally, what about employment? The Government have estimated that there will be up to 200,000 extra jobs—over £200 billion created in the economy. Where are those people going to come from? We have the highest level of employment and the lowest level of unemployment and we are reliant on 3 million people from the European Union working over here. Will people from the European Union be allowed to work on these airport expansion projects, because they will be needed?

Lord Ahmad of Wimbledon: I thank the noble Lord for his welcome of the decision. I am sure he will understand if, in the interests of time, I write to him on his specific questions. I underline that we are committed to ensuring that we make difficult choices. He used the example of my right honourable friend the Prime Minister. She herself chaired the sub-committee meeting which made this decision today. That perhaps underlines her commitment to making tough calls in the best interests of the nation. As to the Government’s commitment to infrastructure, do I need to say more than HS2—£55 billion for regional rail connectivity to ensure that all our regions are serviced in the best way possible? We are also investing in Crossrail, the biggest infrastructure project in Europe. Other countries are now looking towards the United Kingdom to ask, “How did you do it?”. This is how UK plc, under this Conservative Government, is delivering on infrastructure for our country: we are committed to it. I will respond to the noble Lord on his specific issues, but extra capacity means more investment, more companies, more air slots, and more airlines looking to expand. That does mean more jobs.

Baroness Tonge: My Lords, is the Minister aware that, after the planning inquiries for the fourth and fifth terminals—I gave evidence to both of them—we were told and promised faithfully that there would be no further development at Heathrow? So that we are clear what is ahead of us, what does he expect to be the next development, once the third runway is under way? Could he also tell us how many migrant labourers will be needed to complete the project?

Lord Ahmad of Wimbledon: I have already outlined the issue of infrastructure. The Government will continue to invest in infrastructure projects. On the issue of when the runway is built, the Davies commission said that it should be delivered by 2030. We will, of course, be working with Heathrow Airport to ensure it is delivered earlier. As to specific forecasts of future big infrastructure projects, I can certainly visualise some but I will keep my counsel on them. On the question of migrant workers, the case has been made today for a commitment to building a new runway, whatever is required to ensure that we deliver it, within whatever environment we are working in. I have already alluded to Crossrail, a world-class project which people look up to: we are delivering it. So, notwithstanding the challenges we have, I am confident that we will be able to deliver.

Lord Howarth of Newport (Lab): Has the Minister noticed that when faced with the need to take a decision on aircraft capacity in the south-east, which would cause dismay to middle-class voters in marginal constituencies, this Government dithered and procrastinated for year after year—whereas when it came to making decisions such as cuts in social security, which would cause deep distress to working-class voters in constituencies that the Conservative Party does not hope to win, this Government acted without hesitation or scruple? What has that done for the reputation of politics, and how would the Minister characterise a Government of that kind?

Lord Ahmad of Wimbledon: Simply put, the Prime Minister has made it clear that this is a Government who will ensure that this is a country that works for everyone—and that is what we are delivering. I do not share the noble Lord’s negative view when he says that we are afraid of making tough calls and tough decisions. What is today’s decision? What was the decision on building HS2? I suggest to him that many of the constituencies impacted by the HS2 development are not—nor will they be in the future, inshallah—held by the Labour Party, but are Conservative seats. This is about what is important in the national interest. That is what this decision is, and we are not going to be deterred from making tough calls.

Lord Mawhinney (Con): My Lords, on behalf of the many people who for years have believed that there needed to be further airport expansion in the south-east, will my noble friend convey to the Prime Minister and the Secretary of State for Transport our thanks for the fact not just that they have made a clear decision, but that they recognised the urgency of making that decision and got on with it? Secondly, I hope he does not mind if I ask for a little clarification of his Statement. I am not clear whether the consultation over the next 12 months will cover everything that was included in the Statement, or whether it will just be focused on the decision to have the runway at Heathrow. Perhaps he could help us to understand that.

Lord Ahmad of Wimbledon: On the second practical point, the Government are clear that we have now taken a decision that is focused on the additional runway at Heathrow. The consultation will be focused

[LORD AHMAD OF WIMBLEDON] specifically on ensuring that the challenges, and that runway, can be delivered. On his other point, I thank the noble Lord for his support. Of course I will convey his sentiments to my right honourable friends the Prime Minister and the Secretary of State.

Lord Empey (UUP): My Lords, the Minister said in his Statement that he is strengthening connectivity for passengers right across the UK. It does not matter how many runways are built. The question is: are there slots for the regions to get access to them? The Minister will know that my Airports (Amendment) Bill, which I introduced some time ago, was designed to guarantee slots. He said that he could not guarantee them because of European Union legislation—but now that we are leaving the European Union, will he, with the vigour, robustness and determination that only he can deliver, take my Bill, which was well ahead of its time, strongly support it, and implement the legislation to guarantee the slots for regions?

Lord Ahmad of Wimbledon: I have always regarded the noble Lord as a forward-looking Peer in your Lordships' House, and he and I have spoken extensively about the importance of regional connectivity. Today's decision delivers that very regional connectivity. Indeed, Northern Ireland will benefit from the extra availability of slots and connectivity; it will be one of the six regions to benefit directly from this decision. On the issue of PSOs, which he has previously raised, he knows that there are decisions that we have taken—most recently to protect particular routes connecting to London to ensure the continued growth and prosperity of different regions, including Northern Ireland.

Lord Hain (Lab): My Lords, I support the Government, not because there are not important residential and environmental concerns—because there are—but because this decision is genuinely in the national interest of Wales, the West Country, the Midlands, the north, the east and, indeed, the south-east, and because it is the only hub airport capable of getting back some of the traffic we have lost to Paris and Charles de Gaulle. Will the Minister confirm that the decision has already been made to allow traffic by rail from the West Country and south Wales via Reading to go straight to Heathrow? That is important.

Lord Ahmad of Wimbledon: I thank the noble Lord for his support. He raises important issues about the commitment already made on the links into Heathrow, particularly the lines which he mentioned. Certainly, it is our intention not only to remain committed to them but to look at how we can perhaps bring them forward to reflect the nature of the development of the new runway at Heathrow.

Lord True (Con): My Lords—

Lord Balfe (Con): My Lords—

Lord Young of Cookham: I think we might hear from the noble Lord, Lord True, first.

Lord True: My Lords, I declare an interest as someone who has for 30 years represented some of those people who accept 500,000 flights a year over their heads and

do their bit for the national interest. Will my noble friend consider that expanding Heathrow will increase foreign monopoly-owned power and weaken airport competition in the London area? It will affect hundreds of thousands more people than the Gatwick option would have done. It will add to the safety and security risk by sending hundreds of thousands more flights over our most densely populated areas. It will cost at least £8,000 million more than the proposed Gatwick option and it will take longer to build than that option, keeping Britain closed for business for longer. Which of those propositions does my noble friend not accept?

Lord Ahmad of Wimbledon: My Lords, I accept my noble friend's point that Heathrow expansion is more expensive than the alternative proposals that were on the table but, equally, it offers that much greater benefit. He asked how this would benefit other airports and said that it may suppress competition. One practical example I can give him in the time I have is that London City Airport has welcomed today's announcement.

National Citizen Service Bill [HL] *Second Reading (Continued)*

5.32 pm

Lord Hodgson of Astley Abbotts (Con): My Lords, we return to the relative calm of the Second Reading debate on the National Citizen Service Bill. I add my thanks to my noble friend for introducing the Bill. I am very happy to support it. It is, as he said, a slim Bill. Nevertheless, it has the very important strategic objective of encouraging and strengthening the development of the National Citizen Service.

Many Members of your Lordships' House will know of the reports that I have undertaken for the Government on the various impacts of the charity and voluntary sectors. That work has revealed to me just how much we remain a country of silos—silos of geography, race, religion, educational background and economic position. We need to do all we can to break down these silos to create a society that is, as far as possible, sympathetic, open-minded, non-judgmental and that has a greater understanding of our fellow citizens whose lives and circumstances may be very different from our own. This Bill can play an important part in that process.

A focus on social cohesion is, of course, always important in a modern, pluralistic liberal democracy—but it will be of particular importance over the next 25 years. I identify three trends in particular that I think will challenge our society. First, during this period, western Europe and north America will be in a slower-moving part of the economic stream. It is nothing to do with Brexit; it is to do with the ineluctable shift of wealth from the west to the east and the fact that India, China and south-east Asia are the rising economic powers. So our fellow countrymen will probably have to accept little or possibly no increase in their individual wealth while these other countries, which hitherto we have regarded as less well-off than ourselves, begin to forge ahead. This may be uncomfortable for some of us.

The second trend is the next stage in the industrial revolution: the changes that will be brought about by artificial intelligence and robotics. These developments will likely sweep away thousands of middle-income, clerical and administrative jobs—the jobs of people who hitherto have not felt any concern about their economic security. If the experts on this trend are right, unlike earlier phases, this trend will destroy jobs, not create them. That, too, may be uncomfortable.

Finally, there is the projected increase in the population of this country. If the Office for National Statistics—the ONS—is to be believed, between now and 2039 we will have to build 4.2 million more dwellings. That is three cities the size of Greater Manchester. To meet these strains—and there will be strains from these trends—will require a focus on our national social cohesion: the glue that binds us all together. NCS can help provide at least a bit of that glue, and that is why I support the Bill. Having expressed my support today at Second Reading, I will leave three points for my noble friend on the Front Bench and his officials to consider between now and Committee.

First, as I already made clear to him in discussions before we met today, we are missing a trick in the vision that underlies the Bill. There already exists, in addition to the National Citizen Service, an International Citizen Service. I have just returned from a two-week trip to Tanzania, working with Voluntary Service Overseas. One of the days I spent there was with 30 or 40 young Tanzanians who had participated in International Citizen Service with volunteers from the UK. This programme is run by DfID, using charities and voluntary groups to deliver it. It had clearly been a good experience for the young Tanzanians. To follow on from the point made by my noble friend Lord Maude about how surprised people in this country were to understand that they shared common concerns, what impressed the Tanzanians most of all was that they and young British people had the same concerns about finding a job and somewhere to live, about the future of our society, about whether their Government was positive and about the future of their world—the environment and other aspects of it. About two-thirds of those I talked to were still in touch with their UK counterparts via social media.

For better or for worse, this country's relationships with the world are changing, and it is more important than ever that we reach out, make relationships and create friendships. I do not suggest that International Citizen Service will ever be a mass movement. It will always involve a small number of young people. For example, the three charities in Tanzania working on this programme send about 150 people a year from this country to Tanzania. However, if we were able to build this international aspect into NCS, it could have huge advantages. It could increase the attractiveness of NCS here; it would help the personal development of the individuals who participate; it would make the UK seem open, inclusive and interested in the wider world; and finally, as these young Tanzanians grow up and assume positions of power and influence, we can hope that the UK's soft power will rise commensurately.

There is much more to be said about this topic but tonight is not the moment for that. I hope that we will be able to discuss it further in Committee. I hope that

my noble friend will not fall back on the argument that this programme is from the DCMS and the International Citizen Service is from DfID, so therefore they cannot be combined. That would be turf warfare of the very worst kind.

Secondly, I will touch on the issue raised by the noble Baroness, Lady Royall of Blaisdon, about the legal liability of volunteers and the complications for those who volunteer as regards entitlement to social security, benefits, jobseeker's allowance and so on. Discussions of legal liability and social security entitlements are lands into which the unexperienced vanish without trace. I am no expert on these matters but I would like to register with my noble friend the fact that outside this Chamber in the volunteer world there are concerns about these two areas that I think we will need to examine and resolve at a later stage of the Bill.

Finally, I would like to register my concern about the corporate form that is proposed to give the National Citizen Service its statutory framework. As my noble friend knows, a wide range of forms could have been chosen, but the Government have chosen the royal charter format. I understand the wish to sprinkle a little stardust on the NCS project with the use of the word "royal", and I understand the wish to raise the NCS above the hurly-burly of party politics, as the noble Lord, Lord Blunkett, made clear. Both are worthy aims—but, like the noble Baroness, Lady Barker, I am afraid that there may be some operational consequences.

When I undertook my review of the Charities Act, I received a great deal of evidence about the clumsiness and inflexibility of the royal charter structure. Based on that evidence, I made a number of suggestions for reform which I think still lie in the long grass. If I am incorrect in that assumption, I am happy to be corrected. The essence of the problem is the interlocking authority of Her Majesty in Council, the Privy Council itself and the Charity Commission. The evidence I received suggested that each of these is disinclined to act without the agreement of the other two, which has resulted in a very protracted process of inquiry and investigation, often with voluminous correspondence, about even quite small changes to a charter and by-laws.

It is inconceivable that a new organisation such as the NCS, growing fast, as we all hope, and developing in ways that tonight we cannot possibly foresee, will not want to, or more likely have to, make changes to its constitution and/or its by-laws—and possibly more than once. Therefore, while I understand that the "royal" title is important, there may be some downsides to it. So far I am not convinced that we could not sprinkle the necessary stardust and achieve the necessary oversight with a continuation of the present community interest company, or CIC, formula that we have at present.

If a CIC structure is not good enough, there is a range of what are called "exempt charities", where a charity has another government department as regulator in place of the Charity Commission. For example, Defra looks after Kew Gardens; my noble friend's department looks after museums; and, if noble Lords are concerned about the use of large sums of public money, the Department for Education operates all the funding of English universities through the Higher Education Funding Council. Again, these could provide a suitable statutory form for the future NCS.

[LORD HODGSON OF ASTLEY ABBOTTS]

To conclude, this is a good Bill and it has very worthwhile strategic aims. However, I think that we will make it a better Bill if, in Committee, we discuss and tighten up some aspects of what is being proposed.

5.43 pm

Lord O'Shaughnessy (Con): My Lords, the motivation that sits behind this Bill could scarcely be more important. As several noble Lords have said, at a time of increasing division in our country, it represents a serious attempt to build a more cohesive society, and what could be more important to that endeavour than developing a habit of service to others among young people?

Noble Lords may be aware that over the past few years I have been involved in setting up a family of primary state schools with character development at their heart. Of the many virtues we could have chosen to represent what we are trying to do at Floreat Education, we chose four: curiosity, perseverance, honesty and service. We chose service because it is, I believe, a foundational civic virtue, without which it is impossible for a society to function, let alone flourish.

At Floreat Education, we are very fond, as primary schools often are, of inspiring quotes, especially if they are from Martin Luther King, and that great orator was not lost for words on the importance of serving others. He said:

“Everybody can be great ... because everybody can serve. You don't have to have a college degree to serve. You don't have to make your subject and your verb agree to serve. You only need a heart full of grace, a soul generated by love”.

As my noble friend Lord Hodgson has said, a commitment to serve others is the glue that binds society together. It encourages humility, understanding and courage. It fills our lives with meaning, purpose and, yes, love.

Psychologists tell us that serving other people is the route to long-lasting happiness. Our colleague in this House, the noble Lord, Lord Layard, once said that the fastest way to make yourself happy is to make someone else happy, so service is not only good for others, it is good for ourselves too.

Parenting is perhaps the greatest form of service imaginable, and many of us were fortunate to grow up in families with a culture of service. In my home, I was able to learn from my mother, who diligently ran riding for the disabled classes, was a school governor and still contributes to talking newspapers, among many other voluntary commitments. My father was involved in the Catenians and coached the Cubs and Scouts football teams that I played in. There were structured opportunities to serve at school, and after university I had the chance to teach in a small orphanage outside Calcutta, the Mathieson Music School, for six months.

I was incredibly fortunate to learn about the importance of service through my family and am deeply grateful for it. Through these experiences, I learned much else too, and met people from all walks of life, but what if a young person does not have these opportunities at home? What if they live in those places where diverse communities exist side by side but never interact, which sadly I am seeing more and more of through my education work? What then?

This is the backdrop to the founding of National Citizen Service, which was introduced as a proposal as far back as 2005 by our former Prime Minister David Cameron. Over the subsequent years, it has garnered support from all political parties and all parts of society precisely because it speaks to important and undeniable needs to bring people together, to forge a common understanding and a shared set of values and to encourage the habit of service that is the bedrock of a prosperous Britain.

NCS has proved very successful so far in delivering on that vision. The young people who take part report a much greater understanding of and positivity towards people from different backgrounds. They have more skills, such as leadership and oracy, that are useful in the workplace, and they report less anxiety and greater well-being. Critically, these effects are greatest for those who come from disadvantaged backgrounds. The long-term impact on building a culture of service is compelling: in the 16 months after completing NCS, the 2013 and 2014 cohorts gave back an additional 8 million hours to their communities.

NCS is also a model of good policy-making. By starting with small pilots in 2009 and building up slowly, with ongoing impact evaluations, NCS has laid the foundations to be a genuinely transformative programme. That is why I am happy to welcome this Bill and am committed to ensuring that NCS can fulfil its potential.

There are not many measures in the Bill, but they seem largely sensible. Given the increasing ambition of the programme and the sums of public money involved, creating a royal charter for the NCS Trust seems to be the right approach. Other people more expert in governance will have views on that and have expressed them today, but a royal charter puts NCS on a par with organisations such as the British Museum, which have a special cultural status. That seems to me a better alternative than being either an executive agency or an NDPB, with the long fingers of government, as my noble friend Lord Maude described them, playing with the programme.

That is not to say that I have no concerns about the Bill and the accompanying draft paper. I do not quite agree with Ronald Reagan that the nine most terrifying words in the English language are, “I'm from the Government and I'm here to help”, but it is certainly true that one of the reasons for the success of NCS so far, as several noble Lords have said, is that even though it has largely been funded by the state, it is seen by young people as being independent of government. We must guard that independence jealously because the moment that NCS is seen as something that is “done to” 16 year-olds by the Government will be the moment that it fails. In that regard, some of the proposals on governance and the appointment of the board are of concern, as the noble Lord, Lord Blunkett, said. I look forward to exploring them further in Committee.

I am also concerned that the draft charter limits the NCS Trust's remit only to delivering the specific programme for 16 year-olds. Clearly, this must be the centrepiece of its activity—that is what it was founded for—but the trust can play a much greater role in the social action sector as whole.

While NCS and the Bill have been largely welcomed by major providers such as vInspired, the Scouts and City Year, of which I am a parliamentary supporter, they all raise concerns about whether the current draft charter limits the role of NCS and will inhibit its links with the rest of the sector. For example, there is gathering momentum behind the idea of creating a year of service in the UK, as the noble Baroness, Lady Royall, described, modelled on the AmeriCorps programme in the US, but, as the Bill stands, the NCS Trust would not be able to get involved in developing that proposal. It would be a tremendous missed opportunity to restrict the trust's powers when it was perfectly capable—indeed, I believe willing—to play a leadership role in promoting service throughout society. I hope the Minister can provide some reassurance on this point in his closing remarks.

Given the chance, the NCS can not just work for the children and young people who go through it but can be a catalyst for an entire social movement, helping to spread more widely the ideal, which I believe all noble Lords support, that a life well lived is one in which, with a heart full of grace and a soul generated by love, we dedicate ourselves to the service of others.

5.50 pm

Lord Lennie (Lab): My Lords, I begin by making a declaration of interest; a close family member is employed by one of the NCS providers in the north-east. I will say some words I do not often say, I may never say again and that your Lordships may never hear me say again in this House: I wholeheartedly support the Conservative Government's initiative in seeking to put this on a permanent statutory footing. Congratulations for that. I also think we should listen carefully, as I am sure the Minister did, to the experience and words of my noble friends Lord Blunkett and Lady Royall on their concerns that we do not forsake quality for numbers and make this a tick-box exercise in terms of the throughput; that we set it in the context of wider citizenship initiatives and ongoing matters in schools and beyond; and that we come to value and reward volunteering for its own sake and as a continuing part of all our lives now and in the future.

Of the contributions so far, I was particularly taken by that of the noble Lord, Lord Maude, who is not in his place. He gave us an insight into the modus operandi of the former Prime Minister's Government. He said that when you receive a hot potato such as the NCS—the Prime Minister's baby—you hand it on pretty quickly to a young, able, energetic Minister, make them responsible for it and take the credit at the end. That can be added to the Gerald Kaufman tome, *How to be a Minister*. It is a lesson for us all.

Much of what I will say will be narrative. I do not want to repeat what has been said, but most of it is based on a reception that I was very fortunate to host last week here in Parliament, together with the NCS Trust, for the NCS provider vInspired. Many Members of both Houses dropped in and attended. They met an inspiring group of 25 young people representing the north-east youth board of the NCS. The purpose was to explore, promote and celebrate their achievements, and to recognise those thousands of young people

who have participated in NCS so far. It was a revelation of how NCS can bring mutual benefits to individuals and to the wider communities within which we live.

At the reception was a group of young NCS graduates with different backgrounds who had come together from different parts of the north-east. They had never met each other before. They formed a thing called Team Brah—that is B-R-A-H, not the other sort of bra. They undertook planning and delivery of a project in partnership with the Albert Kennedy Trust to support young homeless LGBT people who had been made homeless directly as a result of the revelation of their sexuality, usually by angered parents or relatives, and found themselves with nowhere to live. Their achievement in that project was recognised by the NCS at a national awards ceremony. They won the national NCS award for 2015 for their participation. Many of the young people from Team Brah have continued to volunteer their time with the Albert Kennedy Trust since.

We also heard at the reception from a young woman, Claudia Titton—she is happy for her name to be known—about her development during and beyond her NCS experience. She gave a narrative of her own journey, describing herself as one of many people of school age who choose to say no to anything they are asked to do. Any opportunities they are given or any questions they are asked, they seek to duck. Her preferred position was to refuse involvement or engagement with anything.

Claudia was not sure why she had said yes to involvement with the NCS—but she did, and it had a hugely beneficial effect on her. From entering a room full of strangers on her first day as a shy, introverted, awkward 16 year-old, she is now a positive, outward-looking young woman with plans and ideas about her future, her community and how she wants to engage more. She is a testament to the potential of NCS to help foster an engaged, community-focused and inclusive generation of young men and women. These two examples illustrate the mutual benefit to individuals and to wider communities—to us all—that can be gained from a careful, qualitative programme of NCS.

However, I want to raise a couple of matters with the Minister, one of which I raised before coming to the Chamber. First, as was said by the noble Baroness, Lady Scott, it is hard to understand why HMRC was considered to be the best body through which NCS could promote opportunities for young people across the country. I understand the argument about its database being the one that will reach the widest number of people, given that at age 16 the national insurance number is allocated—but I say, with the greatest respect to those who work in the Treasury, that a letter from the HMRC does not always inspire citizens to activity, engagement and involvement, particularly if it comes in one of those brown envelopes that is usually a demand letter of some sort. It is a rather more threatening body to communicate with than could have been selected. Perhaps the Minister can reassure the House that HMRC communications will be only a vehicle by which the database can be accessed for NCS directly to communicate with young people rather than such communication being done on behalf of the NCS by HMRC.

[LORD LENNIE]

Secondly, will the Government reconsider their decision not to include in the legislation a requirement on schools, colleges and other such bodies to promote NCS among 15 and 16 year-olds who become eligible for it in the subsequent 12 months? I know that there was some discussion about this but I understand that it has not been followed through. I do not know whether it is because of the volume of obligations already placed on schools or a financial matter relating to the Government's relationship with schools, but schools and colleges are probably the most trusted and reliable bodies among the people whom we seek to target into NCS volunteering and beyond, and certainly a better bet than HMRC for promoting and advancing the cause. In fact, many of the staff of NCS link directly to schools to work with teachers and others to recruit people into the activity.

With those questions, I repeat my welcome—I said that I would not repeat myself, but I will—for the Government's initiative and look forward to the Minister's response.

5.59 pm

Lord Wei (Con): My Lords, I speak today with a tremendous sense of delight at the arrival of this Bill and its reception so far. I declare an interest as one of those who helped early on to establish the groundwork for what became the Challenge Network charity before the 2010 election, creating one of the original pilots of the National Citizen Service programme where I was involved from as early as 2008, and then—as part of the team—to write the policy into the 2010 Conservative manifesto, after which I subsequently advised on it from within the Cabinet Office under the coalition Government.

I remember being first approached by members of David Cameron's team in opposition in my previous role as a founding partner of the Shaftesbury Partnership—I am currently re-joining it in a non-executive capacity and so declare an interest. We were invited to design a working prototype to accompany, refine and road test the original policy idea proposed by David Cameron—and before him many others from across the political spectrum over the years—as part of his leadership campaign. It was a memorable time, helping to put together the original design brief and to cultivate the charitable angels and private donations for the research study and subsequent pilot, and then pulling together the senior team to help design the business plan and run the pilot. The donors—I will not name them all today—must none the less be thanked. Without their generosity, we would not have been able to learn what we now know, insights that have been shared more broadly throughout the NCS programme and community. It was all in all a textbook example of social innovation at the time and everything seemed to go ahead relatively smoothly, such was the support and favour behind the idea.

I must remember here to also thank the staff and trustees of Absolute Returns for Kids, who at the time released me to work part-time on projects such as these through Shaftesbury. Much credit in particular needs to go to Patrick Shine, co-partner of the Shaftesbury Partnership, who went on to chair the Challenge Network charity in those early years, as well as to Craig Morley, who we recruited following a successful career in Proctor

& Gamble and as a mentor with the Prince's Trust to help lead the project. He became the charity's first CEO. I also highlight the work of Jon Yates, who had a strong background in youth work and was a McKinsey consultant previously, as well as Doug Fraley, who came out of the world of Google and brought tremendous experience in HR.

While we played a role in getting pilots going in those early, riskier years, it was important from the beginning that the charity had its own independent footing and cross-party support. It has since grown to be, through the efforts of many others, a successful provider of the National Citizen Service, incubated by but now separate from the Shaftesbury Partnership.

Of course, a huge amount of work has been carried out since then both in government and at grass-roots level. Ministers present and former, as well as the team at the NCS Trust led so ably by Stephen Greene, Michael Lynas and his team, and the existing and past providers, should feel proud of having been part of something truly special and ground-breaking. We are now witness to a phenomenon that has cross-party support and produced tremendous impact and social outcomes, particularly in that much-needed area of creating social capital across wealth and social divides in an age of social isolation, and at a scale achieved without much or any compromise in quality but in a short space of time.

The policy united many behind it from a diversity of political and other backgrounds: leaders of charities, faith groups and businesses, politicians and members of the media—an amazing achievement given the level of debate and differences of opinion in other areas of our body politic these last few years. As I found at Teach First, this is a programme that found many fathers and mothers—and rightly so, and the more the merrier. There was perhaps no greater sense for me that this had arrived as a truly national programme than when, a few years ago on holiday in the Lake District, my family and I happened to bump into a Challenge NCS team on a mountain of all places, totally by accident. I remember at the time being struck by how you could almost go anywhere in the country and there would be people whose lives were being touched and affected by the scheme. In light of this, it is only appropriate that we now bring forward this policy on to a longer-term basis. As a result, I wholeheartedly welcome the Bill.

I will make a number of remarks relating to the Bill based on my experience of the scheme and will look to the future to ensure that it continues to make the impact that others highlighted. First, I will cover the reasons behind bringing it on to a statutory footing, then deal with areas on which to ensure a continued focus, and finally tackle a number of questions and concerns raised about the policy over the years.

First, on the appropriateness of bringing the policy on to a statutory basis, over the years I and others sought to work to bring about what used to be called social reform in the days of my great hero the seventh Earl of Shaftesbury, but which we sometimes call social innovation today. In days past, and still sometimes today, this takes place through parliamentary procedure—think about Wilberforce and his efforts to end slavery, and more recent efforts to end trafficking and its ill-effects.

At other times, reform and scalable social innovation took place outside Westminster and government through the creation of campaigns, movements, charities and social enterprises that ultimately became of sufficient impact and scale that government could not ignore them.

This latter approach, which arguably was instrumental in bringing about the successes Wilberforce and others in his era enjoyed, catalysed by the likes of Granville Sharp many decades before Wilberforce's arrival on the scene, is the one I have felt the most affinity with. Social innovators should work to bring about change through piloting and developing outside government and then seek to see how these ideas, once tested, can be rapidly designed to scale and brought into contact with and affect government policy where appropriate. This contrasts to the default thinking that Governments should seek to take on the role of innovator from the inside out, which does not always work, especially in today's highly media-driven environment.

What is powerful about the Bill and this policy is how the two have come together, with politicians recognising the historic benefits of national service and calling for some variant of it to be brought back, and social innovators and philanthropists taking the risk to develop, pilot, test and scale prototypes—with government support—not just to create a rite of passage but to forge new links between young people from different backgrounds, and then to create a pool of citizens ready to play their role in our democracy and in society. Having tested this policy over the past number of years, it is appropriate, given the benefits it brings to the country and to communities within it, and given the public spending involved, for it to be brought on to a long-term accountable footing—but with the caveat that the innovation and experimentation that led to its realisation from a policy idea to a workable national programme is not lost as NCS becomes, in effect, a new national institution. The seventh Earl himself voiced concerns when the pioneering work of charitable educationalists was nationalised, and it has taken many years and much effort to bring our education system to the point where new ideas and approaches are accepted once again, through the academy and free school movements.

I certainly hope and expect that the Bill will enable new entrants and smaller providers with fresh ideas to continue to bring their innovations and approaches into the programme. This brings me to the point I want to make about the Bill's emphasis. It is very important that in bringing the NCS on to a statutory footing we do not create a huge bureaucracy, and I am glad that the approach that is being taken is apparently one that seeks to strike a balance between accountability and being sufficiently hands-off to allow the trust to get on with the job. It is important, for example, that the National Audit Office does not look just at past success, which ultimately may favour larger providers, including the Challenge Network, but has a remit to explore the degree to which smaller and newer providers are allowed to come in and innovate, experiment and tailor to different audiences and niches while maintaining the focus on building social capital across different social groups. Will my noble friend the Minister reassure us that this will be considered in the Bill and that there may even be exemptions for new and smaller organisations

in the commissioning process to counteract the risk aversion that can sometimes reign, effectively drawing up the ladder behind the early providers who already know how to meet commissioners' demands in terms of track record and measurement? What has begun through a process of partnership and innovation ought to continue, even as we seek to bring the scheme to a wider, national, institutional level.

It is really important that, over time, effort is put into working with the Scottish Government and the Northern Ireland and Welsh Assemblies to bring this policy to all young people across the United Kingdom. While I respect and understand the competence of each part of the UK to oversee its work in this area, one of the greatest benefits of having young people from around the country engaged in the NCS is the creation of a strong sense of service to both the local community and the wider world. At a time when politics is perhaps becoming uglier and more fractious, more and more of our young people want to be part of something bigger, and it would be a shame to lose the sense of camaraderie that I know was enjoyed by Scottish, Welsh, Northern Irish and English young people during the era of national service in the early 20th century, and of mutual respect. No matter what the future may bring for the destinies of our respective nations, I would be glad to hear my noble friend the Minister's thoughts on this.

In my remaining time, I want to turn to some of the questions that have been asked about this policy over the years, and I am keen to see how the Government will address them. The first concerns the relationship between the NCS and other youth charities and providers. I have noted that many different charities and groups have been involved in the provision of the programme—some 200 at the last count. It has been good to see how close links have been established to enable those such as the Scouts and other groups to benefit from NCS alumni becoming mentors and supporters. I would like to know how the Bill could help to support this partnership between NCS and large and small youth charities and groups to bolster their efforts to bring improvements to their communities and people, while avoiding, for example, a situation that has at times characterised the relationship between the BBC as a national body and other television channels and media organisations, with the one at times competing against the others rather than being a source of impact and unique programming. How will the Bill and the principles enshrined in it and the NCS charter or equivalent ensure that the work focuses on that which no other private body alone could do?

The next question that is often raised is one of cost. I am glad that funding has been allocated until 2019-20, and that any young person who wants to be involved in the NCS programme will be granted a place. It is because the public policy requires a significant amount of funding that we are now engaged in bringing it into statutory accountability. Equally, from my understanding of the programme's design, there is a necessary cost to creating a deep change and bond in the lives of those young people from affluent and low-income backgrounds participating through the residential activities that first take them away from their day-to-day lives at a key moment of transition in their lives and then help

[LORD WEI]

gradually reinsert them back into the communities of which they are part. Every study that I have read in the design phase indicated that it was key to bringing about the social benefits that have been reported from the programme in the years so far during which it has been in existence.

We will need to have courage to continue to fund this necessary cost so that we can see the benefits longer-term in society. This will ultimately have an impact on government spending in the form of greater social cohesion, greater community participation, lower crime rates and better educational and vocational outcomes. I recall the stories of those who served together historically, in the years of national service, side by side in training and in the field. This cannot be replicated simply by funding a few hours a week, important though that is, but can be through a sustained initial training period, one which NCS exemplifies. Will the Minister tell us how the Bill will safeguard beyond 2020 the spending on this policy and prevent future short-sighted Governments from seeing this programme, with its many long-term benefits to the country, as a quick way to balance the budget in future?

We have come a long way in the past decade on this journey to creating a National Citizen Service. There remains a tremendous amount to do in the decades to come, not least in designing policies around other key transitions in our lives, not just in our youth. In the light of this, I welcome this Bill as another milestone in ensuring that this innovation, built on the experiences of the previous century, will enable many young people to become, I hope, citizens and even the social reformers and innovators of the century to come.

6.13 pm

Baroness Byford (Con): My Lords, I support this Bill, which creates opportunities for all 16 and 17 year-olds, giving them the chance to make new friends, acquire new skills and assist other members of their community. More than 275,000 have already taken part in this scheme, with one in six eligible teenagers having taken part in the programme. That is an achievement in itself. The NCS has achieved much already, and the Bill is designed to make sure that the NCS delivery model is more accountable to Parliament. I understand that £1.1 billion has been allocated for the life of this Parliament, and we therefore must get it right.

The social mix of volunteering, to which other noble Lords have referred, has a great effect on each individual who takes part in this scheme. Other noble Lords have already spoken about their links with other organisations. I, like other noble Lords, have seen the opportunities that have made a difference to young people through the existing organisations. For my own part, I am closely linked with two of them, one uniformed—the Church Lads and Church Girls Brigade—and the other, now known as Young Leicestershire. Both of these offer opportunities to teenagers and young children and aim to give them greater confidence and develop their skills. Additionally, Young Leicestershire's clubs give people the chance to meet informally, take part in organised activities within their clubs and their communities, and—more importantly—prepare the young

people for a life after school, giving them practical skills in applying for jobs and raising their horizons. While Young Leicestershire is not one of the host organisations, it encourages participation in the scheme and wishes it well. I also wish the scheme well for young people.

In another context, when talking to an air service cadet recently I was impressed when I asked her what the most exciting thing was that had happened to her in the short time that she had been in the service and she said, “My first camp away”. It was the first time that she had been taken from the comfort of her home environment—the camp was not comfortable in the accepted sense—and thrown in with people she had never met. This scheme has a lot to recommend it, and I welcome that.

The Bill extends opportunities to all young people. My concern is that it should not undermine current commitments in which local engagement is already ongoing with local organisations. It would be a great pity if that were to be a consequence of the Bill. I am sure that in Committee we will discuss this aspect in much greater detail.

Other noble Lords have spoken about the recent briefings we have had, and the Local Government Association is very clear in its concerns about the way in which the money is allocated to the scheme because it may well have an impact on its existing funding of local organisations and charities. Money is tight, and those receiving aid locally have to justify their applications for future funding. I am sure the Minister is aware of these challenges and knows that these have to be balanced against the passage and the future of the Bill and of the scheme.

I have a few direct queries for the Minister, some of which have been touched on by others. What happens to teenagers when they complete the programme? Are they given a steer towards other community volunteering schemes or are they just left on their own to find them? At that stage, a steer would be an enormous help.

I turn to the data that are going to be collected. What data are to be held, and how? When and how often are they to be reviewed, and what real purpose do they have? Is it to assess the number of people taking part or the quality of outcome, as was mentioned earlier? How will that success be judged, and by whom? I add my support to the extension of the newer and smaller organisations that might like to take part in the scheme.

I understand that the advertising of the scheme has cost some £8 million. What response has been received and what success do the Government feel they have had? How have they managed to get over the problems of those who are the most difficult to attract, such as those who are deaf and cannot have verbal communications? It is important that we get this right. It would indeed be a great shame if a lot of young people looked at the scheme and thought, “It’s something I’d like to do, but it’s not for me”.

I do a lot of work with schools. Like the noble Lord, Lord Lennie—I was really pleased that he touched on this—I am surprised it has not been suggested that schools would be a very good stepping stone for promoting the scheme. That is something that had not

struck me when I was looking at my preparation for my contribution to this debate, but schools and colleges could be a very good source of encouraging people to take part in the scheme.

The scheme has a lot to recommend it. As has been said, volunteering, whether for the young who help others or for those that they help, is a two-way exchange: the younger person gets a much better understanding of other people and of the opportunities that are out there, and the people they work with get great inspiration from the young. I am sure it will have struck other noble Lords that newspapers today constantly highlight where the young are wrong or are not doing the right thing. The scheme is one way in which we can have a much greater engagement with young people and open opportunities to them to understand, to get greater skills and to play a much more active part in their local communities. I look forward to working on the next stages of the Bill and I thank the Minister for promoting it in the House today.

6.20 pm

Lord Shipley (LD): My Lords, there is a lot to support in this Bill. The NCS has shown that it can extend opportunities to young people and that it does give a focus for youth social action. I should remind the House that I am a vice-president of a Local Government Association and say that I am grateful for the advice given to me by Redcar and Cleveland Council on its place-based approach to supporting the National Citizen Service. It is an approach that should be commended, not least their year 11 record of achievement.

In terms of the issues that would benefit from further consideration as the Bill progresses, the first would be that in moving from being a community interest company to a body with a royal charter, I hope the NCS will not see itself as somehow superior to all the other organisations working with young people. It will be important for it to support the wider sector in delivering its and the sector's objectives, and external scrutiny of how it adds value should become a key part of the assessment of its work. The NCS should see its role as strengthening the progression of young people towards and through the NCS programme. In so doing, it must not weaken the rest of the sector. There is considerable need right across the youth social action sector, and with all ages. The NCS is but one part of that.

I want to say to the Minister that other organisations must not lose out because of the expansion of the NCS, which will consume, as we have heard, some £1 billion of public money by the end of this Parliament. This is at a time of major cuts to local government spending on youth services.

Lines 7 and 8 of the Bill, on page 1, talk about the NCS Trust providing or arranging for the provision of programmes for young people. Can the Minister say whether it should be within its responsibilities to provide programmes, or whether it should always work through other organisations in the youth social action field? My instinct is to suggest that the NCS should be a commissioner of services rather than a deliverer. I would appreciate learning more about the Minister's thinking on that point.

One of the possible consequences of extending the NCS—we heard about this potential problem earlier—is that it will prefer to commission support from the bigger organisations. Can the Minister confirm that small, subregional and local bodies will not be disadvantaged by the commissioning process?

A number of speakers in this Second Reading have referred to the National Deaf Children's Society briefing. They pointed out that it will be important to ensure that disabled young people can feel fully part of the scheme. I think we all acknowledge that that involves money. In terms of deaf children, for example, it costs more to provide interpreters or speech-to-text reporting. I wonder whether the NCS Trust might have a formal duty to ensure that funding is available to meet the extra costs of young people needing extra support.

There is then the question of higher quality and provision, which has to be a key objective of the Bill. Can the Minister confirm that there will be full guidance for providers on what constitutes high-quality youth social action? I am aware that there are six published principles—they are valuable—but they will need to be stretched to provide much more robust indicators of what constitutes high quality.

We have heard that the NCS Trust will have a lot of public money to spend. I understand that some £75 million will be spent on advertising over the next four years. How much of that money will go to other organisations to help them to reach young people? For example, £75 million is twice the funding announced through the Youth Investment Fund via the Big Lottery to support schemes in disadvantaged communities across England.

I said earlier that I was grateful to Redcar and Cleveland Council for explaining how it managed its place-based approach to the NCS, which seems a very good way to develop the NCS at local level. Simply providing opportunities for young people to take part is not enough where aspiration and confidence are low and where a young person's experience of life may be limited—yet the NCS will matter to those young people because it provides a framework to enable their participation and personal development. Equally, the NCS must reach them in the first place. That includes those not in education, employment or training, who, I hope, can be integrated into the programme. There seems to be scope in the Bill for this to be achieved.

The place-based approach includes every secondary school, with the NCS programme embedded in school culture through careers advice, social media, parents' evenings, school events and school assemblies. Involving those who are hard to reach is central to the place-based approach, which can integrate youth provision at a local level. That is why I think that the NCS will want to work closely with local authorities in pursuing its mission. To succeed, the NCS programme will need to be a highly visible brand embedded within a school's provision and integrated with youth provision across a local area. That means relying on local leadership—and that, I think, means a key role for local authorities.

It is clear that the Bill will give many more young people opportunities that they otherwise would not have had. They can gain confidence, they can gain

[LORD SHIPLEY]

social and practical skills; and they can develop a love of volunteering, of helping others, and of passing on knowledge. All of this is to be warmly welcomed.

As the NCS is extended, with the aim now of reaching 300,000 participants a year, it will be important to ensure that the large sums of money put into it are fully scrutinised by the trust and Parliament for the outcomes delivered. Given the increase in scale planned for the NCS, it will be important for it to review the progression of individuals on completion of their NCS involvement. Thus, longitudinal studies for several years could be very beneficial to our understanding of the real outcomes of the expansion of the NCS.

In his introductory remarks, the Minister said that the Bill, through the NCS, would create a unifying force in youth provision. I think that he was right.

6.27 pm

Lord Lucas (Con): My Lords, I do not differ from any of the previous speakers in that I welcome the Bill and congratulate everyone who has been involved with the creation and evolution of the National Citizen Service—it is a truly wonderful thing to behold—but, of course, I will now concentrate on what I would like to change about the Bill. Like the noble Lord, Lord Shipley, and the noble Baroness, Lady Royall, I would like a clear emphasis on quality. What has been done with Ipsos MORI is good of its kind, but it is by no means good enough for an organisation of the size that this will be. We certainly need longitudinal studies; we probably need some isolated bits of randomised controlled trials; and, as the noble Lord, Lord Shipley, said, we certainly need routine monitoring of everyone going through the service, so that we know which providers are doing better than others and have enough information for continuous improvement. That is basic. It is not there at present, or, at least, it is not in the Bill. There ought to be a very clear obligation for it.

Also, as many others have said, there must be something much clearer about collaboration. The NCS will have a central position in the structure of voluntary activities involving the young, but there will be hundreds and thousands of other organisations involved. It is very important that the NCS is constructive, that other organisations are involved in pushing young people in its direction and that it, in turn, helps its alumni to find their way into a life that continues to involve voluntary service.

Both those aspects were highlighted, at least for me, by the announcement in May this year that the National Citizen Service will collaborate with the Careers & Enterprise Company in following up my noble friend Lord Young of Graffham's idea of an enterprise passport—by the creation of a digital passport to record young people's achievements beyond exams. I think this is a vital idea and one of which I am a thoroughgoing supporter. To record and promote young people's experiences and attributes beyond those recorded in academic exams is vital for their interaction with employers. To give value to that and to focus on the need for it and its worth will help both schools and individuals in their lives. However, if the National Citizen Service is involved in this, it will give it an immensely powerful position in the middle of the web

of voluntary service. It will be recording every interaction between children and the voluntary sector because they will all be important parts of the passport. It will be involved in quality control. If this passport starts to include large quantities of rubbish, no one will pay attention to it, so it will be the National Citizen Service that is saying to other voluntary bodies, "You are not up to scratch. You have to do this, that or the other to improve before we will include you in the passport".

I think that that also answers the question raised by the noble Lord, Lord Lennie. Anybody doing this will be intimately involved in all schools. NCS will not need to be promoted to schools. It will be involved in recording what each of their pupils is doing and will be a natural part of a school's life. That is a positive side of it, but the power that the NCS will have is considerable, and I do not see that reflected in this Bill. How that power should be exercised, its principles and its scope are important things to lay down so that the voluntary sector as a whole can have confidence that as the NCS comes to exercise those powers it will do so in a benign and supportive way.

6.32 pm

Baroness Vere of Norbiton (Con): My Lords, I support the Bill, and am particularly keen that we recognise it for what it is. It is a short Bill with limited scope, focusing primarily on the right organisational structure for the NCS in the future. Using a royal charter ensures the right levels of transparency, accountability and sustainability. Furthermore, NCS will be kept above the mêlée of party politics and, I hope, largely out of the reach of direct control of government.

NCS is a young organisation, of which great things are expected. If I were running the NCS, I would be looking at today's debate with great interest but also with some trepidation. There may be a temptation to try to review and amend the principles behind the NCS and to add provisions to the Bill. I worry that now may not be the time. Let us look at this from two perspectives—first, the NCS, and secondly, the impact on volunteering. It is beyond doubt that the National Citizen Service has the potential to be a ground-breaking programme offering all our young people of whatever background a valuable experience at a crucial time in their lives. I think we all agree on that.

The NCS's stated goal is to grow threefold in the next few years. It is a hugely ambitious undertaking—from just under 100,000 young people in the programme to more than 300,000. This is all the more important as quality of experience is essential.

Currently, the remit of the NCS is simple: a short programme, based in the UK, for young people aged 16 or 17—no more, no less. That is absolutely right, for now. The NCS should be allowed to stick to its knitting and focus on growth of high-quality provision, because growing an organisation is exceptionally hard, particularly when that organisation is reliant on relationships with third-party providers. Each successively larger cohort will include an increasing number of young people who are harder and therefore more costly to reach, whether demographically or geographically. Growth will stretch the resources of the NCS, so while it may be tempting to require by statute the NCS to do other

things—say, to reflect and represent the broader provision of youth services to people of all ages—there is a danger that we will over-expand the vision. The NCS is a simple concept with a well-defined programme that can and should exist independently of, but collaborating deeply with, large and small providers, in quite a complex marketplace. Simplicity and the ability to be nimble will be essential for growth. We need to let NCS be the NCS, not always but for the time being at least.

I turn to the impact of the NCS on volunteering. For most young people, the teenage years and the years thereafter are times of great change. For some people, a commitment to volunteering and social action is in their DNA, but for many of us it ebbs and flows throughout our lives, as education, work priorities and raising a family allow. Of course, we need a mechanism for sharing social action opportunities, not just for young people but for everybody, but the goal for NCS should be to plant a seed of community and reciprocity, as the noble Lord, Lord Blunkett, said and, when the time is right, that seed will germinate and grow. NCS graduates will have the confidence to step up and serve whenever they choose, not because we have told them to do so. The only thing that needs to be right is the conditions for that individual.

While it may seem sensible to promote and measure in great detail the uptake of volunteering immediately on graduation from NCS, that runs the risks of encouraging perverse incentives. The NCS is a window on what is possible, maybe now and maybe in future, but there is nothing worse than being volunteered to volunteer, to feel under pressure to get involved immediately. It is the quickest way in which to extinguish any interest—and, trust me, word of mouth among young people will make sure that the next year's cohort is well aware of the expectation. So while we and our country expect, we must ensure that the weight of our expectations does not crush the spirit of involvement in our young people now or in future.

I am in favour of scrutinising the Bill—of course we should—but we must resist the temptation to expand it, to load additional obligations on what is a relatively new organisation, focusing necessarily on high-quality growth. We should not confer unreasonable or unwelcome expectations on its graduates. We must allow young people to come to volunteering when it is right for them; it should not be forced. NCS is no quick fix; it will take decades to know whether it has worked—and, for once, we must be content with that.

6.38 pm

The Lord Bishop of Portsmouth: My Lords, I too welcome and support this Bill, not only because of the impact, actual and potential, on building the confidence and contribution of participants but also for its intention to both formalise and improve the accountability and functioning of the NCS. It may seem obvious for us to support a scheme with such clear aims to encourage young people to engage with their communities and take responsibility for their transformation, and one that claims some positive impact on community cohesion.

It will be very important to ensure good access to the scheme. In his opening speech, the Minister said that NCS is “accessible to everyone” and he went on

to remind us that, where needed, the opportunity is delivered at no cost to the participant. However, cost is not the only barrier to participation. Much as I welcome the discretionary waiving of the fee to enable participation, there are other matters to address. I note and welcome the existing record of bringing together people from diverse backgrounds. However, widening participation can be a challenge, for instance, for young people with specific disabilities, from remote areas or from hard-to-reach backgrounds. The challenge increases, of course, as we seek to include more young people.

The Minister described NCS, with some understandable pride, as,

“the fastest-growing youth movement for 100 years”.

There is a risk that this might be heard as implying some sort of competitive approach, which I know the Minister does not intend. What a pity it would be if NCS threatened other valued and good youth organisations, particularly when they sometimes now have reduced funding, fewer volunteer leaders and long waiting lists. Building on the NCS experience, which is a good one as we have heard—but short—is surely critical. If NCS became a stand-alone one-off, what a waste that would be. It would be good if the Minister could help us with evidence of young people moving on to other volunteering and engagement, giving as well as receiving, and the clear intent to enable that.

Finally, but importantly, can the Minister say anything about the role of young people themselves in the ongoing development of NCS? Valuing young people, and encouraging them in their development and contribution to society, are clearly and wonderfully the basis of NCS. Could it not also involve inviting them—not just allowing them—to have a voice in its future? I am glad to welcome and support this Bill and ask the Minister to respond in due course to what I hope the House hears as positive queries which I trust can enhance the National Citizen Service.

6.43 pm

Baroness Scott of Bybrook (Con): My Lords, I also welcome and support the Bill. Of more than 70,000 people who took part in the National Citizen Service this summer, 401 were from Wiltshire: an impressive growth from the 239 who took part in the summer of 2015 and the 137 who took part in the summer of 2014. NCS is already doing a remarkable job, reaching out to young people. Having seen these figures, it comes as no surprise to me that this is the fastest growing youth movement in this country in the past century. In Wiltshire alone, 777 young people have, over the past three years, had the opportunity to challenge themselves and overcome their fears, gained more of the skills they need to get on in life, and engaged with and made a difference to their local communities. NCS does not just benefit the young people it provides for—it also benefits local communities through the activities these young people participate in.

Independent analysis shows that society gets back £3.98 for every £1 of funding we put into this scheme. Over this summer, Wiltshire has really seen the effects

[BARONESS SCOTT OF BYBROOK]

that NCS groups have given us: a brand-new allotment at one of our special educational needs schools; a rugby sevens tournament to encourage more young people into sport, following one of the groups' work with the British Heart Foundation; hours of volunteer support for people in sheltered housing and care homes, and the collection of food and care donations for those people; and fetes, and additional fundraising, in support of the Wiltshire air ambulance—a resource that helps so many people across our county, having already flown nearly 600 missions this year alone.

What is even more remarkable is not just the range of social action that has been delivered across both Wiltshire and the rest of the country, but the fact that these projects are, in the main, designed and led by the young people themselves. The sheer variety of projects delivered shows us that young people really do care about so many different aspects of their communities, and are passionate about making a difference. This is something that we should all be determined to encourage and facilitate.

I am also pleased about the requirement in the charter that the NCS Trust maintain cross-party support. I am proud today that in this House we have managed to provide such support and show our young people that their future is more important than party politics. The requirement of the charter to ensure that equality of access is maintained is equally important. Indeed, the programme as it is now works so well precisely because it includes those from all backgrounds. At a time when our society is so divided on so many big issues, encouraging social integration and mobility for our younger generations is vital to secure a strong future for our country.

However, as the leader of a unitary authority myself, I feel that there are some concerns surrounding local authorities and their role in working with NCS. For it to be truly sustainable it needs to work hand in hand with local authorities, to make sure that it is fully integrated into the local community. I would be grateful if my noble friend Lord Ashton could explain what NCS is doing to make sure that this takes place.

6.47 pm

Baroness Finn (Con): My Lords, I thank my noble friend Lord Ashton for bringing forward this Bill to put National Citizen Service on a permanent statutory footing. NCS is a remarkable success story. It has been rightly described as the fastest growing youth movement of its kind, and has gone from strength to strength since the pilot projects introduced by David Cameron as leader of the Opposition in 2009. It has reached almost 300,000 young people since it was formally launched five years ago in 2011.

NCS is, without a shadow of doubt, changing lives. Independent evaluation has shown its impact. It is helping to reduce anxiety, build confidence and encourage compassion. Most importantly of all, it is breaking down barriers, not just among young people but also among generations and communities.

NCS was, as my noble friend Lord Maude has explained, the very personal vision of the former Prime Minister, David Cameron. I recall him speaking

passionately, even before he became leader of the Conservative Party, about his desire to bring teenagers from different backgrounds together, and saying that social cohesion would be enhanced if they worked side by side on projects to help their community. It was the essence of his one-nation approach, and, as he said last week, it is indeed,

“the Big Society in action”.

I am delighted that he has become chairman of the NCS patrons, to ensure that this amazing programme will continue to flourish.

I will admit I was sceptical at the beginning about whether the NCS programme would be successful. The idea depended on young people actively choosing to give up their summer, get out of their comfort zones, meet new people, and do something involving the words “national”, “citizen” and “service”. These three words are not known for their social cachet among teenagers. However, under the inspired leadership of both my noble friend Lord Maude of Horsham and Nick Hurd, when they were both Ministers in the Cabinet Office, the Government decided to take a radical, enlightened approach to the delivery of NCS. They took the view that civil servants sitting in Whitehall were possibly not best placed to connect with the youth of today. Instead, they set up a new social enterprise, the NCS Trust, which operated in a comparatively independent way from government. Stephen Greene, Michael Lynas, Emma Kenny and their amazing team should be justifiably proud of the success of NCS to date.

In my view there are three reasons for the success of the NCS Trust. The first is the independence from government that enabled it to establish support across the political spectrum. Many on the opposition Benches, in both your Lordships' House and the other place, have witnessed the programme first hand and have built strong relationships with the NCS Trust. I pay particular tribute to the noble Lord, Lord Blunkett, for his support which was so very important in the early days of NCS. This cross-party support has given us a unique opportunity to put young people first and to put NCS beyond the reach of petty party politics.

Secondly, the NCS Trust has had the flexibility to respond rapidly to feedback on the programme and adapt to change. We know that government, by its very nature, moves slowly and it is often difficult to get things done quickly and effectively. Instead of taking an inordinate amount of time to approve and execute, for example, a post on social media, it takes a matter of minutes in the NCS Trust.

Finally, NCS has had the freedom to attract and retain world-class talent. It needs to appeal to young people to sign up voluntarily and therefore had to build a brand that resonates with them. It has had to develop innovative ways to reach teenagers and communities across the country. The talented individuals employed from all sectors by the NCS Trust have taken NCS to the full-scale programme it is today. It is therefore vital to secure NCS for the long term and ensure that future generations have the chance to take part in this phenomenal programme. We must continue to support the hundreds of local voluntary organisations across the country. They have done an incredible job

in delivering a high-quality impressive experience to children for whom it has had an enormous impact and who might otherwise never have had such an opportunity.

My visit to Parliament Hill School was an enlightening experience. School halls buzzed with happy, enthusiastic teenagers who had just returned from their first week away with NCS. They could not wait to tell their stories and had made new friendships that would obviously endure. Seeing first-hand the reality of how we can change people's lives makes it all the more important to ensure that the Bill creates a proper framework to deliver NCS in the future. I must therefore urge that we consider with care the changes that the Bill introduces. NCS flourished when it was freed from the dead hand of government bureaucracy. We need to protect its independence as far as possible. NCS must be able to operate in an innovative way, attract the right people to run it and not be bogged down in excessive process that makes it unable to respond as quickly and effectively as it has been able to do thus far.

There are some elements of the Bill with which I have concerns. There are a number of extra, and potentially onerous, reporting requirements. The Government's ability to appoint both the chair and all the non-executive directors—an issue raised by both the noble Lord, Lord Blunkett, and my noble friend Lord Maude—could also prove problematic. While I fully appreciate the value of proportionate due process, my experience in government of the public appointments process demonstrated all too often that process trumped good and sensible outcomes. It is vital that NCS continues to attract the excellent and entrepreneurial talent that it has so far managed to do. I also have reservations about an official on the board who will not have gone through an appointments process and will have the ability unilaterally to veto pay arrangements. I hope that any such powers are proportionate and require proper accountability.

I look forward to working with the Minister and other noble Lords in Committee to address any concerns and ensure that the NCS Trust is set up to remain true to its original purpose, be able to adapt quickly and innovatively to new challenges and, ultimately, to become part of the fabric of our nation.

6.54 pm

Baroness Newlove (Con): My Lords, it gives me great pleasure to speak in support of this wonderful Bill. I say that because today I will speak to your Lordships not about policy or procedure but about realism, or what it feels like for young people on the ground. It gives me the opportunity to highlight the excellent work being undertaken by the National Citizen Service in my home town of Warrington which, as we have heard, is also happening in many towns up and down this country.

OnSide Warrington Youth Club has been delivering the NCS programme since 2012 and is currently in partnership with Bolton Lads & Girls Club, of which my noble friend Lady Morris of Bolton is president, so we have a common allegiance. Both of these clubs provide a very good service as part of the national provider, the Challenge. Since 2012, more than 1,500 young people have completed the programme in

Warrington. Those who are responsible for organising the NCS in Warrington and Bolton tell me that the service provides opportunities for personal growth and development for young people from across both cities. It prides itself on recruiting young people from a wide range of backgrounds. In Warrington, this has provided a platform for young people to form friendships which otherwise would have been unlikely to have been created. It is accessible for all young people aged 16 to 17, and the majority of programmes and funding streams are aimed at working with children, young people and families from areas of deprivation.

NCS organisers recognise that some of the most common issues faced by young people are low confidence and low self-esteem. Over the past four years they have observed many grouchy young people attending day one of the programme with their hood up and their head down and often without with the confidence even to give their name for registration. After the first week of the programme, when they are faced with outdoor pursuits with 14 other young people whom they do not know, they soon become far more confident and look forward to the following week of the programme. What is most wonderful is that at the end of the programme all of the young people take part in a graduation event, which they have never experienced in their young lives. I gave a speech at one of these events; it is most humbling not only to hear the young people speak with confidence of their experience but to see their families look at them for the first time ever with pride in their eyes.

In 2016, 375 young people completed the NCS programme and collectively raised £16,000-plus for a wide range of local causes. Through their social action projects, they had a very positive impact on the lives of local people in their communities. They are helping the communities, and we need to encourage this wherever we go. At OnSide Warrington Youth Club more than 85% of young people who have taken part in the programme have become volunteers and members of staff working with children and young people. This type of activity challenges the many negative portrayals in the media of young people. That is why I wanted to ensure that Warrington became a safer and better place for young people to live and to improve facilities and opportunities through education and life skills.

Such positivity through the NCS has developed and strengthened further links with local businesses. I am delighted to say that this summer 12 businesses had direct input to the programme in Warrington and Bolton. A local engineering company undertook a bridge-building challenge, which tested participants' ability in communication and in how to plan, negotiate and engineer a project. The feedback from these companies was that it was an absolute pleasure, fun, uplifting, inspiring and—most importantly—humbling. This is just a small snapshot of what NCS does, in partnership with local businesses: directly linking NCS experience to the world of work and creating our entrepreneurs.

I would like to share with your Lordships Jordon's story in his own words. We are talking about young people, so I would like noble Lords to listen to their voice. Jordon says: "When I was 11, I became a young carer for my mum who has clinical depression and my

[BARONESS NEWLOVE]

younger sister who has ADHD and autism. It didn't leave me with a lot of free time. I used to be really shy and wouldn't speak to many people. School was so miserable for me; I used to get bullied a lot. I used to get really upset and come home angry every night and argue with my mum and this would lead to me storming out every night. Between being bullied, stress at home and stress at school I was going through a really difficult period. Through this tough period, OnSide Warrington Youth Club was there for me and helped me so much. The staff at the Youth Club were fantastic. I have been coming to the Youth Club since I was 10 years old and have always felt safe and"—most importantly—"supported. They were there for me when I was lonely. They helped me when I struggled. They listened to me when I needed to talk, and they made me laugh when I didn't want to smile. Whether I wanted a game of football or just to chat, they were always there for me". Jordon concluded that those running the club should have a pay rise, but that is up to the boss. However, he is proud that Warrington and Bolton are leading the way for young people.

As your Lordships will know, these are subjects very close to my heart. My first community involvement was in response to anti-social behaviour in my local neighbourhood in Warrington. This behaviour ended tragically with my husband losing his life by being beaten to death by a gang of youths. Today, there are still too many people across the country who, day in and day out, suffer the misery of anti-social behaviour. Some of this is the result of youngsters being bored and having low self-esteem and, all too often, few opportunities. These are the very people in Warrington and Bolton to whom the NCS is reaching out.

I ask the Minister to give some assurances as the Bill proceeds. Recruitment is still one of the biggest challenges. Will he ensure that schools and colleges understand the NCS programme and the huge benefits that it has for our young people? The programme needs actively to be promoted to ensure that more young people enjoy the benefits of being recruited to it. Will he ensure that universities, through UCAS, give credits to young people who complete the programme? Will he ensure that employers enable our young people to gain more strength by discussing the NCS in interviews, thereby having a better chance of gaining employment? Finally, will he ensure that the programme is promoted to captains of industry as this would gain more sponsors for the programme and a wider range of activities for youngsters?

I feel sure that when noble Lords find out about the good work that the NCS programme does, they will be as proud as punch of it as I am of OnSide Warrington Youth Club and Bolton Lads & Girls Club. I know that this is a Bill for young people but I want to put on the record that adults help young people through this programme. Many people have supported me and my family in helping to make sure that Warrington is a safer place. While we debate this Bill, I ask noble Lords to recognise the quality of the volunteers and the time they put in to ensure that we provide a safer, healthier environment for young people in our society today.

7.03 pm

Lord Cormack (Con): My Lords, it is a great pleasure and privilege to follow my noble friend's very moving speech. She speaks with enormous experience, and some very sad experience too, and we should certainly heed what she says.

My noble friend on the Front Bench must be a rather happy man. This is probably a unique day in his parliamentary career: he has introduced a Bill which has been supported by every single speaker, regardless of political allegiance. Although it was painful for the noble Lord, Lord Lennie, to support it, nevertheless he did so with enthusiasm and made a very valuable contribution in the process. I shall not spoil things, because I too will express my support for the Bill. A number of very important points have been made during this debate. I am the final speaker from the Back Benches. I have heard every speech so far and of course I shall stay until the end.

I thought that the noble Baroness, Lady Royall, made a very important point when she asked whether the Bill is ambitious enough. She talked in particular of the refugees who are coming into our country at the moment. Any service like this must reach out to and embrace those who come into our communities, so that they become valuable parts of those communities. I hope that is something that the Minister will reflect on.

I thought that my noble friend Lord Hodgson of Astley Abbots made a very interesting speech. He talked about the shifting pattern of a changing world—a world in which the West will, quite soon, no longer enjoy pre-eminence—and how important it is that our young people should recognise that. He also said that young people should be able to be part of an international endeavour, and he gave some very good examples of that.

I want to concentrate on one thing. The first recall of your Lordships' House after I had the privilege of joining it at the end of 2010 was in August 2011. Many of your Lordships will remember it vividly. We were recalled because of the appalling riots, in London in particular, in which young people—and they were mostly young people—ran amok and caused enormous damage and great grief and hardship in the process. I raised then, in the emergency session we had, the need for schemes that would teach young people their rights but also their responsibilities and opportunities and that would challenge them to play a more constructive part in the communities and societies of which they were members.

A group of us, from both sides of the House and the Cross Benches, came together, and we had several meetings. I was particularly reminded about this by my noble friend Lady Newlove's speech a few minutes ago. We were trying to create a citizenship service that would lead to every young person in our country graduating following community service. As a result of a ceremony at which their efforts would be referred to, as they were in the ceremony in Warrington that we heard about so recently, they would feel welcomed into that community at the age of 18 as constructive young adults. I would like to see every young person go through such a citizenship ceremony.

Those who become British subjects have the opportunity of doing that. I had the great pleasure of attending such a ceremony on the terrace of your Lordships' House a couple of years ago, at which about 30 people, of all ages, came to proclaim their loyalty to their new country and were awarded a certificate. I would like to see every young person in this country go through a similar ceremony that would underline what I call rights, responsibilities and opportunities. Although I appreciate the proposals in this Bill—it is modest to a degree but also ambitious, and that is not a contradiction—I would like to see them built on so that we can move to a situation like that.

In his very perceptive and powerful speech, the noble Lord, Lord Blunkett, said that we must not reach too far, too soon or set unrealistic targets. I understand why he made those points, but we could, over a period, try to do what I suggest. The group of us who came together—we had several meetings, including one with my noble friend Lord Nash at the Department for Education—argued that this could and should be done over a period. I commend this to your Lordships. There are, of course, cases where one can overreach, but I do not think this is overreaching.

Several of your Lordships have mentioned that this is above and beyond party politics. The fact it has had such unqualified support from both sides of the House underlines that. We suggested that the ceremonies should become a function of the lieutenancy in each county, where the lord-lieutenant and the deputies would officiate, as they do with the nationality ceremonies. Then it would be above and beyond the party political. I urge that further thought should be given to this.

If there was one aspect of the Bill that caused a little frisson in parts of the House, it was very gently introduced by the noble Baroness, Lady Scott of Needham Market, on the role of HMRC. To envisage HMRC as a cuddly organisation, sending out missives that will bring joy when picked off the doormat of every home in the land—you have to be a mite extra charitable to credit that. When he winds up the debate, my noble friend must at least assure us that they will not be in brown envelopes, they will not be associated with a tax demand to the parents and they will indeed help to spread the good word of this extremely good scheme.

I am delighted to give the scheme my support. We must all recognise that some of us have talked as if it were national in a UK sense. The Bill applies specifically and only to England and Wales. I would like to see it throughout the country, with something very similar in Scotland, I hope. In Northern Ireland, which I know well because I had the honour of chairing the Northern Ireland Affairs Committee in the other place for five years, there is a real need for something like this.

I wish my noble friend well as he pilots this Bill with great dexterity through your Lordships' House, as I am sure he will. It will then go to another place. I hope by then it will have had the scrutiny that is the hallmark of your Lordships' parliamentary endeavours.

7.13 pm

Lord Wallace of Saltaire (LD): My Lords, when, halfway through the coalition Government, I found myself translated into being the only Cabinet Office

spokesman and Minister in this House, I thought I had better find out a bit about some of the things I would be responsible for. Among other things, I asked if I could visit a National Citizen Service scheme in Bradford, not far from Saltaire, given my initial scepticism about the scheme.

On arrival, the young people running the scheme said, "It's tremendous to have you here. You're here for a long afternoon. We'd like you to teach these children how to give a public speech". After a good two minutes' panic, I got down to it. By the end of the long afternoon I had persuaded several of them, from their starting positions that they absolutely could not do it, that they could—and they did. I came away thinking that they had gained an extra skill and a bit of extra confidence. The way the course was managed was first class. This was a cross-section of teenagers from all the rough schools in Bradford—there were not very many from the posh schools around, by the way—and I became a strong supporter of the National Citizen Service. I think that all of us who have come across the scheme know that it does something that is very worth while.

Our questions are much more about how it fits into a wider context of what others have been doing and continue to do and how it relates to opportunities that follow—local voluntary organisations and the role of local government and the like. I think that several of us were a little worried when we read the briefing from The Challenge where it said that large-scale provision was the answer, because we want it to be rooted in local communities with local charities and therefore also with local government.

I was also struck by one briefing which said that the scheme sets out to deal with the challenges of social cohesion, social mobility and social engagement. That is a pretty large agenda and this is a pretty modest initiative as part of that. If we are to tackle those huge challenges, we have to implicate the concept of citizenship, which involves ideas of empowerment and political as well as social engagement and starts, as has been mentioned by several noble Lords, with citizenship education in primary and secondary schools. We will therefore want to take advantage of scrutinising this Bill to challenge the Government on these wider questions.

My own perspective comes from my involvement in politics in west and north Yorkshire, from visiting schools in and around Bradford and, above all, from working in the former council estates of Bradford, Leeds, Sheffield and Wakefield, where government funding for local authorities had been cut, often by closer to 40% than to 30%. I have just checked: Bradford is cutting its youth services by 60%, which means closing a lot of the non-statutory youth services. Incidentally, youth services have been cut across the country; it is estimated that in London spending will be cut by 90%—Westminster Council is cutting its spending on youth services completely and setting up a new foundation to encourage voluntary initiatives

In the former council estates of west and north Yorkshire, there is passive alienation. You blame the council and the Government for not doing anything for you. There are lots of troubled families and very little outside engagement. I spent a long afternoon in

[LORD WALLACE OF SALTAIRE]

the middle of August looking at a local, Liberal Democrat-led initiative to mount a summer school for children between primary school and secondary school because the council no longer provides any support for them in that crucial period. There was of course a massive vote for Brexit in those areas. It was a vote against London as much as against Brussels—a vote against political elites and the rich; a vote against all outsiders; in other words, a massive “sod off to the lot of you”.

So this is one initiative that deals with this massive challenge in our divided country. When I first read about it, I thought, “*Private Eye* would call this the David Cameron Memorial Big Society Trust”. That is a little unfair, but *Private Eye* always is. When it comes to justifications, we have to ask the Minister how, when the Government are cutting related funding, they can justify funding this; and how it relates to other government and voluntary initiatives such as the Scouts, Guides and City Year UK, and to what schools and local authorities and other local bodies do.

My own involvement in another area of this, as the noble Lord, Lord Hodgson, and others will know, is with partnerships between independent schools and state schools. If one is talking about social cohesion—introducing the socially excluded to the socially exclusive, if you like—that is a very important thing to do. I spent a day with a magnificent scheme in York, led by the Quaker-founded independent schools there, where a number of Saturday schools take place ending in a week camping together in the Lake District for children from different schools in the area. It is a really worthwhile scheme.

Depressingly, in other areas I have been told by independent school heads that their parents resist such schemes because they say, “We pay for our children to come here and why should we allow others whose parents don’t pay to come and share our facilities, let alone our teachers?”. On this point, having been persuaded not to move an amendment to the Charities (Protection and Social Investment) Act, I have got much tougher on the charitable status and obligations of independent schools. That is something that I, the noble Lord, Lord Moynihan, and others will not give up on.

I mention in passing that if one wants to reintroduce grammar schools we might raise the question of how that affects social cohesion. I also mention in passing the question of pay, which plays quite a large part in this Bill and is sensitive for all trusts and charities—as the noble Lord, Lord Hodgson, and others will know. My own strong view on this is that acting as a non-executive director of a trust is volunteering for the well to do and should not be remunerated. Perhaps we will come back to that in Committee.

On the wider context of citizenship and social engagement, I got out the Goldsmith report on citizenship of 2008, which deserves not to be forgotten. It talks about citizenship education—as the noble Lord, Lord Blunkett, and others did—and longer-term periods of citizen service, allowing for certain diminutions of tuition and other fees for those who undertake that. The issue is out there. It is a question of how far we wish to take it up again.

The report also talks about citizenship education throughout school, an issue that successive Governments have funked over the years. That means political as well as social engagement. Again from my own perspective, the removal of local democracy affects most of our northern cities, in which there are somewhere between 12,000 and 15,000 electors per ward, so that your local councillor is not really local and has no chance of being engaged with the local communities there. That raises large questions about whether we need to reinvent local democracy, urban parish councils and the like. I am also persuaded that a reduction in the voting age to a point where you would begin to vote while still at school is one way to engage people in the political process at an early stage. Clearly, in this deeply divided country we must re-engage people in constructive, democratic politics.

Social engagement is also very important here. I trust the Minister will be able to tell us something about the Government’s thinking on longer terms in the citizen service and whether they are reviewing this whole area. If not, some of us might wish to suggest that there should be a Lord’s committee to review it in the next Session. We very much wish to promote a cross-party approach to all this. If the Government are to fulfil their promise to bring the country together and govern in the interests of all, they have a very broad agenda to follow and a hard task. We on these Benches offer a welcome, but a cautionary one, to the Bill. It is only a small contribution to what this country needs to bring back the concept of citizenship, social engagement and social cohesion.

7.23 pm

Lord Stevenson of Balmacara (Lab): My Lords, I thank the Minister for his introduction to the Bill and thank the House authorities for arranging matters so that those noble Lords who also serve on the Charities Select Committee have been able to participate in the debate. Their contribution has been very helpful.

What a rich debate it has been, despite being—as one might say—a game of two halves or a debate separated by a new runway. We covered many aspects of volunteering and the contribution that charities and third-sector organisations make to our civic life. I certainly learned a lot about what has been going on out there.

Like many noble Lords, I, too, am grateful to the agencies and charities that have provided briefings and made very helpful suggestions for improvements that might be made to the Bill during its passage through your Lordships’ House. I also thank the Library for its very helpful note about the Bill and its antecedents in the big society.

The Minister said in his introduction that the National Citizen Service Bill is intended to secure the future of the NCS and make the NCS Trust more accountable to Parliament and the public. He said that the Bill, although slim, was large in aspiration. I have to say that the preponderance of comments have pointed out the opportunities missed and the lack of ambition in the Bill to solve problems in the broader area of civic engagement, volunteering and citizenship education. But we are where we are.

In May 2016 the briefing notes for the Queen's Speech explained that a National Citizen Service Bill would,

"expand National Citizen Service by encouraging thousands more young people to take advantage of the skills building programmes offered",

that it would be granted a royal charter and that the NCS would,

"benefit from a £1.2 billion cash injection".

So the organisation is well funded and sufficiently well regarded by government to be given the benefit of the stardust—as I think it was called—of the special protection that can be accorded by a royal charter. I noted, as did a number of noble Lords, the reservations expressed by the noble Lord, Lord Hodgson, with which I have great sympathy. I understand where he is coming from. Those of us who have been grappling with the BBC royal charter and the fallout from the Leveson report might well have good reason to pause at this point—but, by and large, it probably is a good thing that we are proceeding down this route.

My noble friend Lord Blunkett and the noble Lord, Lord Maude—who did not need to dress up for this occasion; we are quite capable of doing this in a democratic and open way—raised the independence of the new organisation and whether it would be possible to arrange for the board and chair to be appointed independently of the Government. They wanted the organisation to be not so much at arm's length but insulated from government. As my noble friend Lord Lennie said, there is concern about the role of the Inland Revenue, whose letters do not always bring good news and may be viewed with suspicion.

I agree with the noble Lord, Lord O'Shaughnessy, that the key point here is the need to ensure that the organisation is both independent and seen to be independent of government; otherwise, as many noble Lords pointed out, it may destroy the possibility that it will become the rite of passage for young people that we all hope it will be. I am sure we will return to this issue in Committee.

A number of noble Lords raised the question of scale. The November 2015 spending review included funding to expand the NCS to deliver up to 300,000 places a year by 2019-20—which, as the noble Baroness, Lady Finn, said, is an ambitious uplift even allowing for the fact that NCS is as much an enabler of other organisations to run their courses as it is a direct provider. Indeed, a number of noble Lords suggested that in future it should concentrate on being an enabler and not a provider—more Channel 4 than BBC, as the noble Lord, Lord Shipley, suggested.

Several noble Lords focused on one of the distinctive aspects of the NCS, which is that it seeks to bring together young people from different backgrounds, to help participants develop greater confidence, self-awareness and responsibility by meeting people they would not ordinarily meet. It is not the only organisation in the UK that does this sort of work but its determination to run mixed geographical and cultural groupings marks it out. I took the feeling across the House to be that the new organisation will have to use all the tricks in the book to do this, combined with what the noble Baroness, Lady Scott of Needham Market, called a

relentless focus on those who are disadvantaged and a steely determination to ensure that they participate—not forgetting those with disabilities or those who live in rural settings, who often have their own barriers to participation, as the right reverend Prelate the Bishop of Portsmouth reminded us.

The introduction of the Bill gives Parliament and the country an opportunity to reconsider the potential of the title words: "national", "citizen" and "service". On "national", under the Bill the NCS's funding and current activities are restricted to England, as we were reminded by the noble Lord, Lord Wei. I support him in this. As he said, of course it is right to respect the wishes of the nations of the UK to come up with their own models but it seems strange that more has not been done to seek partner organisations in Scotland, for example, and to give them the carrot of an opportunity to have guaranteed funding and royal charter protection.

Incidentally, I assume that Barnett consequentials flow from the funding that is going into the NCS. Can the Minister help us here and point out where the money is being spent in Scotland, Wales and Northern Ireland if it is not being spent on the NCS? After all, £1.3 billion is quite a lot of extra cash to be accounted for.

On "citizen", a number of noble Lords took up my noble friend Lord Blunkett's plea that the NCS should not and cannot exist in isolation from wider considerations of citizenship. As we have heard, the risk is that citizenship as a curriculum subject is going to disappear. Can the Minister see how this might be resolved in practice? I would be grateful if he could spend some time on this—or perhaps write to us if it takes the input of other departments to do that.

On "service", it was argued by my noble friend Lady Royall and others that the NCS makes up part of a mosaic of volunteering opportunities for young people. The research done on the pilot cohorts shows that the NCS has had a positive impact on social integration and whets young people's appetite for further volunteering. So it makes good sense to see the current NCS programmes as a beginning and not an end of opportunities to serve.

This raises the need for proper recognition for all young people who serve by creating a legal status for full-time volunteers, who are—in the eyes of many, and as we were reminded—currently punished for their efforts by an outdated legal set-up that considers them to be NEETs: not in education, employment or training. In America, France and Germany, full-time volunteering has a legal status and engages hundreds of thousands of young people every year. The figures are impressive: 75,000 in America, 45,000 in Germany and, in France, more than 100,000 places a year by 2018. Will the Minister share with us where the Government have got to on this issue, and whether this would be a fruitful line to take up in Committee?

On evaluation and monitoring, we have had reports from NatCen and Ipsos MORI, which have been reviewing and reporting on the pilot and the early rollout of the NCS. It is, however, unfortunate that the Bill has been introduced in the midst of an NAO review of whether the Cabinet Office is achieving value for money in its delivery of NCS. It seems to be

[LORD STEVENSON OF BALMACARA]
rather germane to the issues that we are discussing. It remains to be seen whether the review, due to be published, it says, in winter 2016—it seems like winter now—will be available by the time the Bill goes into Committee in the House of Lords next month. Will the Minister enlighten us on this point?

Can the Minister also comment on the plea made by my noble friend Lord Blunkett and others that the performance measures to be used for this project should be outcome based and not simply raw throughput? If we want this to be a rite of passage for the youth of our country, and to change the way that young people engage with civic society, we have to allow the programme to find its place in the volunteering and civic engagement ecosystem. If we are to be truly ambitious, which the Minister asked us to be, we should allow NCS the space and time to work out what works, and give it the independence, the structure and the resources to do it brilliantly.

We on this side support the idea of the NCS and we will support the Bill. We welcome the work that the NCS has done so far; it has real potential to be part of young people's journeys into adulthood and a starting point for more active participation in civic society. It could inculcate the habit of volunteering throughout their lives. For this potential to be realised, the social action element of NCS needs to be of consistently high quality and participants should be supported into other volunteering arrangements. The law must be changed to make sure that that is a viable way forward. This must be the focus of the Bill. We support the Bill, but we will—as the noble Lord, Lord Cormack, enjoined us to—give it proper scrutiny in Committee. We look forward to a constructive dialogue with the Government as the Bill progress through your Lordships' House.

7.32 pm

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, I am very grateful to all noble Lords who have contributed from all around the House—and particularly to those noble Lords who took the time to come and see me. I particularly relate to the story of the noble Lord, Lord Wallace, of mild panic before a speech, but I hope that I will overcome that.

It is very pleasing, as my noble friend Lord Cormack mentioned, that virtually universally there was support for the NCS itself. I am grateful for that: the NCS programme has deserved it. I pay tribute to the noble Baroness, Lady Barker—who is not in her place, but explained why—who, in a way, went against the mood of the House and subjected the Bill and the charter to intense scrutiny. I pay tribute to her for doing that, and I hope that I will be able to answer some of those questions when we come back to the Bill in Committee.

I am also grateful for the suggestions on how we might help NCS reach out to people from all backgrounds and for the emphasis on placing NCS in a wider social action journey for young people. As far as amendments are concerned, I am happy to listen to and meet noble Lords to discuss them before Grand Committee if they so wish. I am not going to make any commitments

on individual amendments tonight, but I assure the House that we will listen and I will answer as many questions as I can in the time.

NCS does not and should not stand alone. We will continue to support opportunities for young people before NCS. As the National Council for Voluntary Organisations said, NCS can act as a springboard to other opportunities. Last month the Government announced a further £80 million of funding for the youth sector. The initiatives will be jointly delivered by the Government and the Big Lottery Fund, with £40 million going towards the new Youth Investment Fund, targeting disadvantaged communities across England, and an additional £40 million providing continued support for Step Up to Serve's successful #iwill youth social action campaign.

Within that broad and varied journey, we also see the value in a single unifying rite of passage for young people. NCS is available and affordable. It has a distinct combination of personal development and the chance to mix with people from other backgrounds. I am pleased to say that although the Bill as introduced will apply to England only—my noble friend Lord Wei mentioned this—the Northern Ireland Executive continue to deliver NCS with their own delivery partner, Co-operation Ireland, which has distinct expertise in bringing communities together. We maintain a positive dialogue with the Welsh Assembly Government and the Scottish Government. This Government's aspiration remains to have NCS available throughout the UK in a way that recognises devolution and the distinct circumstances in different areas.

I shall try to answer some of the points that noble Lords have raised. The noble Baroness, Lady Royall, in what I thought was a very good speech, mentioned recruiting hard-to-reach young people. We agree in principle that it is important that we should continue to do that; NCS exists to promote social cohesion, social engagement and social mobility. The Government are committed to providing a place on NCS to every young person who wants one. One of the trust's primary functions is to enable participants from different backgrounds to work together in local communities. The charter codified this vital function, making clear its central importance to the trust's mission.

The noble Baroness and my noble friend Lord Cormack mentioned refugees who come into this country. Anyone who is resident or receiving education in England is welcome. As I said, we are committed to providing a place for those who want it.

My noble friend Lady Byford asked about marketing and how successful it is in reaching the hard to reach. The trust needs freedom to innovate and the space to try new approaches to reach young people, particularly the hardest to reach. For example, it has successfully secured the endorsement of musicians and YouTube video bloggers with a high profile among young people. Incorporating the NCS Trust within the royal charter will position the trust above party politics and retain its operational independence to enable it to do that.

I turn to a subject that many noble Lords mentioned: HMRC, and whether it will reach hard-to-reach groups. I admit that when I first heard of this, the thought of getting a brown envelope from HMRC did not seem

exactly the most favourable marketing tool. However, a bit like the noble Baroness, Lady Scott of Needham Market, having had what I would say was a normal view of HMRC I then spent some time as a Treasury Whip defending its very good work. I know that in this case the reason we are doing it is purely that HMRC has the best data available. At the moment the NCS Trust uses commercial data that it has to buy. HMRC data are protected in a special way that means it cannot just hand them over to the NCS Trust to use. So we intend for the NCS Trust to provide its own letter—it will not necessarily even be in a brown envelope—and we will just use HMRC as a postbox to try to reach as many people as possible.

Lord Cormack: Can my noble friend assure us that there will not be any other enclosures in the envelope?

Lord Ashton of Hyde: I cannot guarantee that there will not be any enclosures, but I do not think there will be the one that my noble friend is thinking of. It is only one way of reaching young people. Schools, local authorities and direct marketing all play a role.

The noble Baroness, Lady Scott of Needham Market, also talked about the importance of people with disabilities. The trust is currently developing a detailed inclusion strategy to ensure that over the long term there is consistent and high-quality provision for all. Many NCS providers already reach out and offer support to those with disabilities. For example, the largest provider, The Challenge, has worked for the National Deaf Children's Society. It has adapted the programme for young people and has provided dedicated support workers. Across NCS, young people with special educational needs have personal coaches and one-to-one support workers alongside staff members. However, I acknowledge there is work to do in this area.

Many noble Lords mentioned local authority engagement. The noble Lord, Lord Shipley, for example, was one. We certainly want NCS to be woven into the social fabric of communities and local authorities clearly have a central role to play in this. That is why officials from the DCMS have been engaging with local authority representatives in a series of regional workshops on working with NCS. The ideas generated will feed into national government guidance, setting out how local authorities can promote NCS and maximise the benefits in their area.

The noble Lord, Lord Lennie, and my noble friend Lady Byford asked if we should reconsider the requirement and duty of schools to promote NCS. I do not think we are going to do that. We want to work collaboratively with schools, rather than impose burdens on them. We are working with representatives from schools to develop guidance on working with NCS. I have some personal experience on other Bills before your Lordships' House of imposing duties on education establishments, and it certainly was not very popular at the time. I fear therefore that we are not going to do that.

As far as whether there should be a duty on the NCS Trust to collaborate with the wider sector, we are certainly ready to discuss that in Committee in detail. At the moment, the NCS Trust partners a broad range

of charitable and social enterprise organisations—over 200—which deliver NCS. Young people often develop lasting links with the organisations they work with, making a real impact at grass-roots levels with local community groups. The trust is a part of Generation Change, a group of youth organisations looking to collectively increase the scale, quality and status of youth social action programmes. The trust is committed to helping NCS become a gateway to other programmes and opportunities, helping young people to see volunteering as a habit for a lifetime.

The noble Lord, Lord Shipley, asked whether NCS should just be a commissioner of programmes. As I mentioned, the NCS Trust oversees the delivery and it already works with a supply chain of over 200 regional and local providers. The trust's job is to shape, support and champion NCS by promoting it to young people across the country. At the moment, however, we want to maintain the flexibility of the NCS Trust to do the job in the way that seems best for it.

My noble friend Lord Wei and the noble Lord, Lord Shipley, asked about small charities and I agree this is a very important consideration because small and medium-sized charities play a vital role in NCS delivery, particularly in hard-to-reach groups, which can be targeted in the groups' local area. At the moment, some of the bigger providers use smaller charities to do exactly that. The royal charter requires the NCS Trust to ensure equality of access to the programme and have regard to the desirability of promoting social mobility.

The noble Baroness, Lady Royall, asked about pre- and post-NCS and whether we would consider amendments to support and not undermine youth social action groups. I certainly look forward to discussing that with her in Committee. The NCS Trust has expertise specifically in NCS, and I must say that we are cautious about seeing the trust, or indeed the Bill, as a vehicle for everything that the Government will continue to support, as my noble friend Lady Vere mentioned, but I accept that that is a point to be discussed in Committee.

My noble friend Lady Byford also asked what happens after NCS. The NCS provides an online opportunity hub for NCS graduates to help them on their next step. I noted the idea of the noble Lord, Lord Lucas, of enterprise passports, which I will have to consider in further detail.

The noble Baroness, Lady Royall, talked about reporting and asked how many graduates go on to later volunteering. I mentioned that 2013-14 graduates undertook 8 million hours of volunteering. The NCS Trust is focused on the NCS programme, but the Government are committed to support the wider social action journey, and we are keeping it under review.

Many noble Lords talked about a commission or a review, and I thank noble Lords for the suggestion on full-time volunteering. The Government made a manifesto commitment to support social action. We know that there continue to be challenges and obstacles to participation in some forms of social action, and are therefore considering how they can be identified and addressed—the noble Lord, Lord Stevenson, also mentioned that.

[LORD ASHTON OF HYDE]

My noble friend Lord Hodgson talked about the International Citizen Service. We agree that the NCS is an excellent gateway to it—it is for a separate age group, the next age range up. ICS benefits both its participants and the UK's standing abroad, so we agree with him on that. NCS has a big task ahead of it in getting more people to join, so for the time being we are not ready to commit to an international element, but we recognise that NCS can act as a step towards the ICS.

My noble friend Lord Cormack talked about citizenship ceremonies, which is a long-standing cause of his. The NCS itself culminates in a graduation ceremony with a certificate signed by the Prime Minister, and I invite my noble friend to attend one, but I take on board his wider suggestions, which may not be part of the Bill.

I will answer some of the questions of the noble Baroness, Lady Barker, which are relevant to other noble Lords. She asked why such a large sum is spent on NCS. We will provide funding to deliver the manifesto commitment of a place available for everyone who wants it. The Bill will require the trust to lay its annual accounts and reports before Parliament, to ensure that Parliament can continue to protect value for money for the taxpayer. We make no apologies for what NCS is: it is unique and requires investment of both money and effort, especially in hard-to-reach groups. NCS is successful and a countrywide badge which applies equally from Berwick-upon-Tweed to Billericay. We think it is money well spent and we hope to grow it in a sustainable way.

My noble friend Lord Wei asked probably the most difficult question of the debate: will I guarantee spending post-2020? That is a hard thing to ask a Minister, particularly one who has been in post for only a few weeks. The answer is, obviously, that I cannot bind a future Government, but the Bill goes as far as it can to trench NCS as an institution.

The noble Baroness, Lady Barker, asked whether the service could be delivered by other organisations. There is no comparative analysis. It is delivered by more than 200 organisations, as I said. The NCS Trust acts as a central commissioning body and promotes the programme. As for comparative analysis, it is difficult to compare it to something similar because this is unique. But, of course, its value for money will be undertaken by the National Audit Office. Accounts are available online, and if anyone cannot find them we will be happy to supply the link. They will continue to be available online.

The noble Baroness, Lady Royall, talked about amending the royal charter, and said there was no consultation. It was published as a Command Paper, giving both Houses the opportunity to scrutinise it and see that it provides for appropriate government oversight on such matters as the appointment of board members and the chair. The charter expresses the Government's commitment to the independence and permanence of the trust. We believe that the royal charter achieves the right balance between protecting NCS for the future, while allowing its scope to evolve.

I want quickly to talk about one thing which is very important. Many noble Lords have mentioned the growth targets of the NCS Trust. The noble Baroness, Lady Stedman-Scott and the noble Lords, Lord Blunkett and Lord Lennie, asked whether there would be quality in the outcome. We have made the commitment that there will be a place for everyone, but we do not want to put numerical targets before quality. The programme has grown because people value it, and we remain committed to offering this place. We agree that quality is very important and we want to provide a quality place for everyone who wants it. How will that be judged? An annual report will have to be published, and it is specifically mentioned that the quality of the year's performance has to be reported on.

I am coming to an end and I am sorry that I cannot mention everyone's points.

Lord Blunkett: Will the Minister write to me about transitions, as this could avoid unnecessary misunderstanding or amendment?

Lord Ashton of Hyde: I certainly commit to do that for the noble Lord, and to everyone whose questions I have not answered. I will put copies of that letter in the House.

We are at a pivotal moment on NCS. It was tested on a small scale, proved a success and was rolled out more widely, and still proved a success, as the independent evaluations attest. It earned its cross-party support and the Government's commitment to provide a place for every young person who wants one. Now is the time to cement its place in national life and do all we can to ensure that future generations of young people will benefit. It is time to create a delivery structure for the programme that reflects NCS's status as an enduring service for young people that is transparent and accountable to Parliament.

I look forward to the Committee stage and working with your Lordships in doing what this House does best: to test the Bill and ensure that its provisions meet those aspirations—ambitions that I think we share. This is our opportunity to create an enduring and effective delivery structure for a programme that has proven qualities—a National Citizen Service that enhances young lives and unites communities. I commend the Bill to the House and invite your Lordships to give the Bill a Second Reading.

Bill read a second time and committed to a Grand Committee.

Civil Legal Aid (Merits Criteria) (Amendment) Regulations 2016 *Motion to Approve*

7.54 pm

Moved by Lord Keen of Elie

That the Regulations laid before the House on 21 July be approved.

The Advocate-General for Scotland (Lord Keen of Elie) (Con): My Lords, the statutory instrument before the House today amends the Civil Legal Aid (Merits Criteria) Regulations 2013, to which I will refer hereafter as the merits criteria regulations, and broadens the availability of legal aid. The changes to this instrument enable the provision of legal aid funding in some cases where the prospects of success are marginal or borderline—that is to say, where prospects of success are less than 50% but at least 45% or where they cannot, by reason of disputed law, be quantified. These cases must generally also be of significant wider public interest or of overwhelming importance to the individual.

As noble Lords may be aware, the merits criteria regulations specify the criteria that are utilised to identify if an applicant for civil legal aid qualifies for funding under the Legal Aid, Sentencing and Punishment of Offenders Act 2012, or LASPO. The criteria are applied by the director of legal aid casework at the Legal Aid Agency when determining applications for legal aid. More generally, the merits criteria aim to determine if it is justified to provide public funding in an individual case. One measure that applies for applications for full representation is an assessment of a case's prospects of success, known as the prospects of success test. It is this particular measure which the SI before us amends.

I shall briefly explain how we arrived at the amendments presented before noble Lords today. In 2015 a judicial review was brought against the merits criteria regulations and, specifically, the prospects of success test. The High Court ruled that certain aspects were unlawful, in particular the requirement for a case to have a 50% or higher prospect of success to receive legal aid for full representation. Noble Lords may recall that the Ministry of Justice introduced interim regulations to comply with this judgment while the case was appealed. These temporary regulations enabled funding for cases which had below 50% prospects of success when a refusal would breach, or risk breaching, the applicant's rights under EU law or under the convention. I stress that this was a temporary measure in light of the judgment. Legal aid is a fundamental part of our justice system; while resources are not limitless, at all times we must strive to ensure that public confidence and value for money are maintained in the system.

The Court of Appeal overturned the High Court's decision in May, and determined that the merits criteria regulations, as they were prior to amendment, were lawful. As a result of this judgment, the interim regulations introduced in light of the High Court judgment were no longer of effect and the Legal Aid Agency announced that it would no longer fund cases with less than 50% prospects of success.

There is no legal obligation to broaden the availability of legal aid, as the Court of Appeal ruled that the general requirement for 50% prospects of success is a proportionate approach to the allocation of legal aid, which cannot be condemned as arbitrary. The Ministry of Justice agrees with this judgment; as the aim of the merits criteria is to ensure that public funding is targeted at those cases which most justify it, it is reasonable to expect that publicly funded cases should, in general

have at least 50% prospects of success. However, it should be noted that, when an assessment of the prospects of success test is applied, there have always been certain exceptions to the 50% threshold. These are cases which are of overwhelming importance to the individual or in the wider public interest, but would otherwise fail to qualify for legal aid because their prospects of success are slightly below 50% or not possible to quantify. The Government have decided, for these reasons, to make legal aid funding available for cases where prospects of success are marginal, meaning less than 50% but at least 45%, or borderline. This instrument removes the interim provisions introduced following the High Court judgment. Yet rather than simply reverting to the previous arrangements, it introduces these additional exceptions to the general 50% requirement.

To qualify for legal aid under these exceptions for cases with borderline or marginal prospects of success, the case must also be of overwhelming importance to the individual, or of significant wider public interest. In other cases when a non-standard prospects of success test is applied, such as domestic violence cases, the amendments made in this instrument mean that legal aid is available in borderline and marginal cases without meeting the additional criteria, or that funding would also be available for marginal or borderline cases when the substance of the case relates to a breach of convention rights. While the public purse is not limitless, the Government consider this funding to be justified for cases with borderline and marginal prospects of success.

However, the merits criteria applied are not uniform and depend on a number of factors. The type of legal service as well as the category of case for which funding is sought can determine which merits criteria must be applied. To give examples, prospects of success do not have to be shown for applications for funding for legal advice and assistance, Court of Protection cases and public law children cases. These changes were introduced through the urgency procedure provided for under LASPO. This was done to remove otiose provisions in the interim regulations, introducing the new exceptions for borderline and marginal cases and to provide clarity to the Legal Aid Agency and legal aid providers. Should these changes have been deferred until after the parliamentary Summer Recess, their introduction would have been significantly delayed.

In summary, this instrument introduces small but important changes to the merits criteria regulations, enabling the provision of legal aid for borderline and marginal cases. I am pleased that this instrument has been examined, without comment, by the Joint Committee on Statutory Instruments and Secondary Legislation Scrutiny Committee. Legal aid is a fundamental part of our justice system; while resources are not limitless, at all times we must strive to ensure that public confidence and value for money are maintained in the system. We judge these changes to be sensible and proportionate, and I therefore commend this statutory instrument to the House. I beg to move.

8 pm

Lord Beecham (Lab): My Lords, I begin my response to the noble and learned Lord's address by doing something quite unprecedented in my brief parliamentary lifetime. I offer twofold congratulations to the

[LORD BEECHAM]

Government, first on winning a case in the Court of Appeal when they had been challenged and, secondly on their very constructive response to the situation by making adjustments to the system which had been subject to challenge in the way that the noble and learned Lord has described. It is a sensitive and sensible move and I congratulate the Government on it. I suspect that the hand of the Minister was very much involved in achieving that result.

In the course of the short debate in the House of Commons, the Solicitor-General remarked on the question of reviewing LASPO, as the noble and learned Lord did when I asked a Question this afternoon. The Solicitor-General, Sir Oliver Heald, confirmed what the noble and learned Lord said this afternoon: there is to be a review, given that we are now four and a half years after Royal Assent, but he was not tempted to announce its date today. The noble and learned Lord indicated earlier that he is not in a position to do that either at this stage. Nevertheless, it would elicit further compliments from the Opposition Front Bench if we had an indication, as soon as is reasonably feasible, of the date of commencement of such a review. It would do so even more if the Minister could indicate that the review will look as sympathetically as it has on this issue on others affecting access to justice, such as the difficult areas to contend with if you are not represented—debt, welfare, housing and family law—and equally on the impact of the Act and its restrictions to legal aid on the operation of the Courts and Tribunal Service, given the significant increase in the number of litigants in person.

I do not expect the noble and learned Lord to comment on that tonight, because I guess he is not in a position to do so, but I hope he will use his influence on his colleagues in the department to ensure that these things are taken into account when the review is launched and conducted.

Lord Beith (LD): My Lords, I hesitated to rise before the noble Lord, Lord Beecham, because I was sure he would have found there was something wrong with this instrument that I had not managed to discover. I am quite touched to find that he agrees with it as much as I do. It is a small but welcome improvement in the legal aid situation which has caused many people a great deal of anxiety. Although I fully recognise that legal aid resources are not—and cannot be—unlimited, their application was not always to the public good. There were many situations in which one party had the benefit of legal aid and the other party could not really afford the costs of privately financing the case. So the position is more complex than it sometimes appears.

The effect of this instrument, as I understand it from the Government's memorandum, is that about 70 cases a year will attract legal aid which would not otherwise have done so, and about £250,000 has been found from somewhere to ensure that this can be financed. That is welcome news, and it opens up the possibility that there will occasionally be a case which is of real public value—because ultimately it will affect cases brought by other people—or is of fundamental importance to an individual, which would not have

got legal aid and would not have been proceeded with, but which will now be satisfactorily dealt with by the courts system. That has to be an improvement, so I welcome the instrument. I also, of course, welcome the review—to which the noble Lord, Lord Beecham, referred, and which the House of Commons Justice Committee, which I then chaired, was particularly keen to see—of a piece of legislation that had such far-reaching effects on access to justice.

Lord Keen of Elie: I am obliged to noble Lords, particularly the noble Lord, Lord Beecham, for their observations. I shall respond to those. Of course a review of LASPO will have to take place before April 2018, and we will endeavour to keep the House informed as to when that review will take place. There is certainly no present intention to limit the scope of the review, but that will be addressed at the time when the review is determined. Again, we will keep the House advised on that point.

With regard to the point made by the noble Lord, Lord Beith, it is correct that additional funding has been found, for what is, I accept, a small, but nevertheless an important, change to the merits criteria regulations, which will at least embrace some further parties who would otherwise fall outwith the ambit of the legal aid regulations. I commend these regulations to the House.

Motion agreed.

Contracts for Difference (Allocation) (Amendment) Regulations 2016

Motion to Approve

8.07 pm

Moved by Baroness Neville-Rolfe

That the draft Regulations laid before the House on 6 September be approved.

The Minister of State, Department for Business, Energy and Industrial Strategy (Baroness Neville-Rolfe) (Con): My Lords, the proposed regulations amend a statutory instrument made under the Energy Act 2013. The instrument being debated today makes a simple amendment to the current regulations in order to extend the contracts for difference scheme. Under the current regulations, the Government have the power to run an allocation round and allocate budget for renewables projects commissioning up to 2020. The proposed amendment extends the date for projects commissioning to 2026.

As noble Lords will see, the regulations are short but sweet. They are uncontroversial and are not of themselves trail-blazing. They passed through the Joint Committee on Statutory Instruments and Secondary Legislation Scrutiny Committee without note, and were welcomed yesterday in the other place. Members of the House with a keen eye for matters such as a common commencement date will note that the regulations do not come into force on one of the set dates for common commencement. That is because they fall outside that scheme, as the impact of these specific regulations on business, charities and voluntary bodies is negligible. However, it is right that attention is drawn to the costs to consumers and businesses of

the broader operation of the contracts for difference scheme, which is why the draft Explanatory Memorandum includes the impact assessment for the scheme as a whole.

It is timely that we are debating this today, given that the National Audit Office published its report on its inquiry into the levy control framework last week. Clearly, a lot of that report focuses on the past. One of the things that it recognises is that we now have a much more robust process in place. In fact, the NAO says that it is a model we should apply more widely, and we will look into doing so. However, there is always room for further improvement and we are considering the NAO's recommendations carefully. The Public Accounts Committee will discuss the report with officials from my department at the end of November.

There are two points that I would like to touch on. On the first, investor confidence, Bloomberg New Energy Finance rated the UK fourth globally for new investment in renewables for 2015, and there is a healthy pipeline of projects, suggesting that investors see the UK as a good place to invest. At Budget 2016 we gave investors the longer-term certainty they need by announcing £290 million of annual support for the next contract for difference allocation round for projects commissioning from 2021-22 onwards. The instrument being debated today enables us to deliver on that and enables future allocation rounds to take place. This demonstrates our continued commitment to contracts for difference and the renewables sector.

On value for money, the early investment contracts examined in previous NAO reports proved to be more expensive than the projects which came along later as part of a competitive process. Here we are focusing on contracts for difference for renewables which drive competitive tension, resulting in a reduced price and better value for money for household bill payers. They also give eligible generators increased price certainty through a long-term contract. Investment should therefore come forward at a lower cost of capital and at a lower cost to consumers.

The contracts for difference scheme is designed to incentivise the significant investment required in our electricity infrastructure in order to keep our energy supply secure, keep costs affordable for consumers and help meet our climate change targets, playing our part in working towards the 2050 targets on climate change agreed in Paris and reinforced at the G20.

We plan to run the next allocation round soon. As noble Lords will be aware, the first CfD allocation round was held in October 2014, leading to contracts being signed with 25 large-scale renewable generation projects, at significantly lower cost than those projects would have cost under the renewables obligation scheme—a total of £105 million less.

I am glad to say that, in June 2016, Charity Farm solar park in Shropshire was connected to the grid, becoming the first project under contracts for difference to begin generating power. The 12 megawatt project will provide enough power for more than 4,000 homes, and a further 360 megawatts of capacity is on track to commission by spring 2017 from three other projects.

I commend these important draft regulations to the House.

Lord Grantchester (Lab): I thank the Minister for her explanation of the regulations before the House this evening. On behalf of these Benches, I welcome the regulations, which are short and, as the Minister stated, somewhat uncontroversial. They simply extend the period for the allocation of contracts for difference from the current end date of 31 March 2020 to 31 March 2026. Yet, importantly, in doing that, they begin to answer the questions regarding future support for renewable technologies and investment in low-carbon electricity generation post-2020. All 24 responses to the consultation were in favour and several respondents provided valuable additional views, especially concerning the lead-in times for less established technologies.

However, I have a few questions for clarification around the framework for the mechanism and funding. First, can the Minister close the potential gap that might have opened up? Paragraph 7.2 of the Explanatory Memorandum states that the annual support for projects announced in Budget 2016 will be for the period 2021 to 2026, but the previous funding end date was 31 March 2020. I presume that there is not a gap of a year in that funding. However, the implications for spending are considerable and certainly reflect more concern than is implied in the three short paragraphs 10.1, 10.2 and 10.3 on the impact of the regulations. Paragraph 10.2 is particularly curious when it states:

“This amendment does not change the costs to the Government, the LCCC or the Delivery Body”.

It goes on to add:

“Any costs to the consumer of holding CFD rounds are subject to limits on the overall volume of costs in a given year ... as a consequence of Government decarbonisation policies”.

The memorandum concludes in paragraph 10.3 that the impact of this particular instrument is negligible. There is no mention of the levy control framework that since 2012 has capped the cost of three schemes to support investment in low-carbon technologies: the renewable obligation, feed-in tariffs and contracts for difference. This framework has hit caps in costs for each year to 2021, which is where my confusion in the memorandum might come from. At this point the Minister needs to clarify whether at paragraph 7.2 the Budget 2016 announcement of up to £730 million of annual support for the period 2021 to 2026 is outwith the levy control framework.

8.15 pm

At the beginning, I stated that this order begins to answer what is envisaged for incentivising low-carbon generation post-2020. Can the Minister clarify the application of the LCF to new generation projects post-2021? However this annual expenditure of up to £730 million is framed, this potential cumulative extra total of nearly £4 billion can hardly be categorised as negligible in the impact assessment, yet be significant enough to merit attention in the Chancellor's 2016 Budget. I will welcome any clarity the Minister can give me as the levy control framework runs only until 2020.

At this stage it would be helpful if the Minister were to make some remarks about the Government's thinking on the levy control framework. During 2015, the department began to project significant potential overspends, with costs rising to £9.1 billion in 2021,

[LORD GRANTCHESTER]

which is some £1.5 billion above the cap. The Government rightly raised the impact of spending on consumer bills. Is the LCF fit for purpose? Exceeding of the cap prompted widespread changes to framework schemes, which severely damaged investor confidence. Can the Minister confirm whether this overspend will result in a clawback of some of the £730 million annual spend?

The department and the Treasury established the LCF as the preferred way of monitoring and controlling the impact of all levy-funded energy schemes on consumer bills, yet they have not clarified why other levy-funded schemes, such as the capacity market, are not included in spending caps, despite the substantial associated costs to consumers. To many investors the calculations are opaque, unsubstantiated and based on poor forecasting.

As the Minister rightly said, on 18 October the National Audit Office published a damning report on the levy control framework, which confirms my questions. It comments that,

“government should report regularly on the full costs and impact of all its levy-funded schemes, but it has not done so since 2014. This reporting is important because the relationship between Framework costs and the affordability of consumer bills not straightforward”:

It is notable that framework schemes can reduce energy costs as well as increase them and that reduced energy prices can increase LCF costs but reduce costs of consumer bills overall. Do the Government intend to respond more publicly to this report or merely to enter into a dialogue through the PAC? Will they accept one of the recommendations: to report to Parliament every year on the impact their policies have on consumer bills? The memorandum mentions that under Section 66 of the 2013 Act, the Secretary of State must report to Parliament by the end of 2018. Will the Minister consider whether her department can rise to this challenge and report annually?

Lastly, returning to paragraph 7.2 of the memorandum, this potential £730 million of annual support is for offshore wind and other less established renewable electricity generation technologies. Do the Government intend to list the technologies that they regard as less established and those they consider more established that need not apply? I am sure that this would be crucial to investors coming forward with their schemes.

This order should begin to lay out the Government’s intentions towards incentivising projects that are vital to deliver a low-carbon future. Investors need the certainty of stability in government policies for long periods ahead to plan and deliver that. I support approval of the order tonight in the expectation that the noble Baroness and her department will be able to—and indeed must—provide the clarity needed for a successful energy transition.

Baroness Neville-Rolfe: I thank the noble Lord for his helpful remarks and for the welcome he has given the order this evening. As I said earlier, the regulations that the Government seek to amend through this instrument affect the contracts for difference scheme designed to incentivise the significant investment required

in our electricity infrastructure to keep our energy supply secure and the costs affordable for consumers, and to help meet our climate change targets. The instrument being debated today enables us to continue to deliver on that by allowing future allocation rounds in order to deliver new renewable generation capacity into the 2020s and to give confidence to investors for the future, which the noble Lord rightly emphasised.

The noble Lord was kind enough to mention his concerns about the dates in the Explanatory Memorandum. In particular, he asked why there is an apparent gap—from 2020 to 2021—in paragraph 7.2. The levy control framework presently runs until 2021. He is right to note that there are different periods, and that is in fact intentional. The regulations relate to the legal power to open up delivery years. We have already ensured investor confidence by announcing at Budget 2016 £730 million of support for projects commissioning—that is, delivering—between 2021 and 2026. We have made a conscious decision not to have a CfD round for less-established technology projects that start to generate electricity before 31 March 2021 because of the potential overspend in the current LCF period, which runs until March 2021. We are of course committed to delivering our decarbonisation objectives but not at any cost. Therefore, we are not planning to offer more CfDs for deployment within the current LCF period.

Paragraph 10.2 of the Explanatory Memorandum covers the administrative costs of running the scheme, not the subsidy being provided to developers through CfD auctions.

Turning to the levy control framework, we are within the headroom permitted under the LCF and, as the noble Lord knows, we have already taken action to reduce spend by around £520 million up to 2020. The levy control framework covers the renewables obligation and the feed-in tariff, as well as CfDs. Our focus on supporting new renewables is through the contracts for difference scheme using competitive tendering, as I said in my introduction, to drive down prices and therefore the costs to consumers. The Treasury announcement focused on that CfD scheme, which is giving investors the confidence they need going forward. It did not mention clawback. We have not taken a decision on the future of the levy control framework beyond 2021. The National Audit Office has recommended the extension of that framework beyond 2020. In response to the noble Lord’s question, we are considering that and the NAO’s other recommendations, and we will respond in due course.

Finally, the noble Lord mentioned the requirement to report after five years. There is a duty to report after five years on a wide range of matters, including CfDs, and I will certainly make sure that I personally look at that in the light of the points that he has raised this evening.

This is a non-controversial and important proposal. The time is late and I commend the regulations to the House.

Motion agreed.

House adjourned at 8.25 pm.