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PARLIAMENTARY DEBATES
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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

Thursday 27 October 2016

11 am

Prayers—read by the Lord Bishop of Portsmouth.

Creative Industries Exports: Publishing Industry Question

11.06 am

Asked by Baroness Grender

To ask Her Majesty's Government what discussions they have had with the publishing industry ahead of the development of the Department for International Trade's creative industries export strategy.

Baroness Mobarik (Con): My Lords, the Department for International Trade holds regular discussions with the Publishers Association. Working in partnership, we are supporting this important sector to grow exports. This takes many forms, and includes enabling UK businesses to attend international trade fairs and hosting an international business lounge at the London Book Fair.

Baroness Grender (LD): Does the Minister share my astonishment that publishing, the fastest-growing creative industry exporter—a sector that has doubled book export revenues from China alone in the past four years—has been completely left out of the Department for International Trade's five-year campaign for creative industries? In a post-Brexit world, can we really afford to ignore this great British success?

Baroness Mobarik: DCMS is doing quite a lot in that area. We are ensuring that the level of support for the creative industries is maintained and enhanced, because part of our whole trade strategy is that we would like to have a unique, bespoke strategy for each of our trade sectors. We are talking and listening to the various sectors to make sure that we get the very best.

Lord Stevenson of Balmacara (Lab): My Lords, in previous Questions on this matter, we have learnt that there have been substantial cuts in support for exporters, particularly those in the creative industries, in recent years. I would be grateful if the Minister could remind us what the current state of play is. Will there be more money to make sure that people can attend trade missions and other important areas where they can do business?

Baroness Mobarik: I think some positive news is that the Creative Industries Council's Brexit report, which was commissioned by the Government to explore priorities within the UK creative industries following Brexit, will be launched this afternoon, and we will be looking at all the issues that the noble Lord has raised.

Lord Clement-Jones (LD): My Lords, we have not yet really heard from the Minister what evidence the Department for International Trade will require, and regard as sufficient, from the publishing industry to give it the support it needs. Is this another example of a government department not having the necessary post-Brexit skills required to do the necessary for the British economy?

Baroness Mobarik: No, I disagree. We are expanding our trade policy capability very rapidly. The department has recruited a new senior team on trade policy, and we will continue to hire the brightest and best talent from within the UK Civil Service and elsewhere, in order to deliver the very best outcomes for the UK—looking in particular, too, at the creative industries sector, which is very important.

Lord Harris of Haringey (Lab): My Lords, will the noble Baroness inform us how the Department for International Trade will organise itself? Will it have experts in particular fields who really understand how particular industries operate and what might be the scope for international trade, or will it simply rely on generic civil servants providing work in that area?

Baroness Mobarik: Yes, we are going to expand the capability within the Department for International Trade, but we are also working with other departments and tapping into the potential and ability in those departments as well.

Lord Hamilton of Epsom (Con): My Lords, surely the success story here is the fact that the creative industries have done so well in exporting to places such as China, with minimal government support.

Baroness Mobarik: I agree with my noble friend. Publishing exports increased by 166% between 2009 and 2014 and total exports were worth £2.1 billion. All sorts of interesting things are happening with geographical shifts towards markets in the Middle East and Asia. This sector looks as if it will continue to grow. It definitely has the support of government behind it.

Lord Winston (Lab): My Lords, one of the most promising creative industries in this country is the music industry, particularly our outstanding conservatoires, one of which I am proud to be chairman of. What is the Minister doing to encourage students from outside and inside the EU who make connections in this industry to continue to come here to ensure that our music is exported and these connections continue? At the moment, there is increasing nervousness about Brexit and the risk that students are turning away and thinking of conservatoires in other countries.

Baroness Mobarik: I assure the noble Lord that there has been no change to the rights and status of EU nationals in the UK or of British citizens in the EU since the referendum. As regards his very positive note about the music sector, the Department for International Trade has relaunched the Music Export Growth Scheme with £2.8 million of grant support being made available to music SMEs up to 2020.

Lord Clark of Windermere (Lab): My Lords, in view of the increased role that e-books have in the publishing industry, and given the ease with which they can be exported, what discussions are the Government having with Amazon, which tends to dominate this trade?

Baroness Mobarik: I have that information somewhere. I am sorry; I will write to the noble Lord.

Solar Panels: Business Rate Exemption *Question*

11.14 am

Asked by Baroness Featherstone

To ask Her Majesty's Government whether they will reverse their decision to end the business rate exemption for small solar panels from April 2017.

The Minister of State, Department for Business, Energy and Industrial Strategy (Baroness Neville-Rolfe) (Con): The Government are aware of the solar industry's concerns regarding the application of business rates on microgeneration and changes that may affect businesses with solar more widely. We continue to engage with the affected parties. Following the business rates revaluation and this year's Budget, nearly three-quarters of businesses will see no change or a fall in their bills next year, with 600,000 businesses set to pay no business rates at all.

Baroness Featherstone (LD): I thank the Minister, but I have to say that if one parish council in Wokingham can find that its business rates are going from £7,000 to £14,000, this will be the death of non-domestic solar roof panels. I urge the Government to look at the impact on schools and parish councils, which will be devastating. Will she also address the unfair and unjust anomaly whereby schools with charitable status will be exempt from the new increased business rates, thus creating a two-tier system that penalises local authority schools?

Baroness Neville-Rolfe: The noble Baroness is right that there is in this area a curiosity, as I think I would describe it, which is that private schools and academies, being charities, as she said, get an 80% reduction, which is good. We have a system where the impact depends on the ownership, as she will know, of the affected solar project, so we have a situation in which there is a fall on new projects where the electricity generated is sold and an increase where the electricity is used directly by the owner—she mentioned the example of schools. It is not possible to estimate the impact of those changes because it depends on ownership but, as I said in my reply, we are considering the impact and any proposed changes will be made in due course.

Baroness Jones of Moulsecroomb (GP): My Lords, last year I visited a school in Croydon, which has had to cancel an expansion of its solar installation because of the Government's cuts to the feed-in tariff. I invite

the Minister, when she is sure about the impact of this particular measure, to go with me to that school in Croydon and explain why its solar installation is now going to be taxed and how much it will be taxed by.

Baroness Neville-Rolfe: As I have said, we are looking at the rate issue. There is also an issue relating to VAT, where HMRC issued a consultation—at the moment, domestic VAT continues to be 5%. The feed-in tariff deployment actually continues. Obviously, the subsidies of solar have come down because the costs have come down to such an extent. Solar has been a big success in this country and it is obviously right that the subsidy levels reflect that innovation and productivity.

Lord Campbell-Savours (Lab): Why are there business rates on solar panels?

Baroness Neville-Rolfe: I do not think that there are business rates on domestic solar panels—that falls under my right honourable friend Sajid Javid's department. Businesses have been caught because the rateable values reflect the value of the business property, and there have been changes to the regime that have led to the situation that I have described to the noble Baroness. We are looking at that, but rates reflect, in the long term, the value of property. However, I can see that there is an issue in relation to solar panels.

The Lord Bishop of Portsmouth: My Lords, may I press the Minister a little further on the impact—perhaps, I am hoping, the unintended impact—of this decision on some small schools? Is it really intended that small schools should pay business rates, often after significant community fundraising to install solar panels to increase awareness among children and young people of climate-change issues?

Baroness Neville-Rolfe: We are looking at this, and, in particular, this change to microgeneration, which has had these anomalous effects. In the past, schools have been totally exempt; now, as I have said, the rate system is coming in and biting in a way that perhaps was not intended in the first place. We are looking seriously at the impacts against this background of some doing better out of the system than others. We look forward to making some progress in this area.

Baroness Young of Old Scone (Lab): Can the noble Baroness tell the House how many more changes of policy impacting on renewable energy and carbon reduction will come from the Government? We seem to have had quite a string of them, all of them rather unexpected. Perhaps they are in response to the cheaper generation issue that the noble Baroness raised, but they have certainly reduced confidence both among domestic and commercial investors and in the renewables industry. Are there many more changes to come?

Baroness Neville-Rolfe: I think the noble Baroness should take comfort from the signing of the agreement in Paris, the statements we have made and the comments I have made about the carbon budgets that will be put forward in due course. This Government and the last

one have made enormous investments in renewables, but nobody could fault us now for looking properly at affordability and at where things can be affordable. Innovation—for instance, on solar—is making things less expensive, and then the subsidy regimes should change. However, of course we understand the need for investor confidence.

Lord Grantchester (Lab): My Lords, solar PV has taken the brunt of corrective measures taken by the Government, as in their analysis it is the key reason for the overspend on renewables. In fact, the National Audit Office report shows that solar accounted for only 6% of this overspend. The technology is so popular and affordable. What steps will the Minister and her department take to review this overcorrection, encourage further solar deployment and restore confidence to the sector?

Baroness Neville-Rolfe: The noble Lord is right that solar has been a success. We have over 11 gigawatts now installed, with 49% of EU investment in solar, so we have strength. We have had to bring down the subsidies for that, although feed-in tariffs and so on continue. My own view is that solar is an important part of the mix, particularly internationally, because there is more sun and less intermittency, which helps us with our climate change targets. However, the noble Lord can be reassured that we are looking carefully at solar, and a lot of our innovation budget is going toward solar and storage to see whether, going forward, we can take those two together and make the technology even more cost effective.

Brexit: Creative Industries Question

11.21 am

Asked by Baroness Bonham-Carter of Yarnbury

To ask Her Majesty's Government whether they will match current levels of European Union funding for the creative industries following the United Kingdom's exit from the European Union.

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, the Chancellor announced that the Treasury will provide a guarantee for all new structural investment fund projects signed after the Autumn Statement and before we leave the EU where they provide value for money and support domestic strategic priorities. Leaving the EU means that we want to take our own decisions about how to deliver the policy objectives previously targeted by EU funding. Over the coming months, we will consult with stakeholders to review all EU funding schemes in the round to ensure that any ongoing funding commitments best serve the UK's national interest while ensuring appropriate investor certainty.

Baroness Bonham-Carter of Yarnbury (LD): I thank the Minister for his reply. I know he agrees that our creative industries are one of the great successes. Does he also agree that they have massively benefited from our being a member of the European Union? For example,

the Creative Europe programme has a budget of £1.1 billion, for which funding UK applicants have a success rate double that of the EU average. Considering the contribution of the creative industries to our economy and our position as a soft-power superpower, can the Minister confirm that the creative industries will be at the top table when Brexit negotiations commence?

Lord Ashton of Hyde: I am happy to agree with the noble Baroness that the creative industries are one of the great success stories of Britain. They have expanded by 34% since 2010 and now contribute 5.3% of GVA, so they are economically important, quite apart from the important cultural and aesthetic areas of promoting Britain abroad. They are at the top table—Ministers have had many meetings about the creative industries—and even if it was not for the cultural aspects, the fact that they are so important economically means that they are very much at the top table when Brexit is discussed. To show that in some way, the Secretary of State for DCMS is a member of the Cabinet's economy and industrial strategy sub-committee, which met yesterday.

The Earl of Clancarty (CB): My Lords, does the Minister agree that the free movement of artists and performers on our continent is a cornerstone of the creative industries? This is not just because of an international labour market but because of an established co-operation, meaning movement in both directions. If the right to work, travel and study abroad freely is removed, it will be hugely damaging.

Lord Ashton of Hyde: I think it is very important that people who are involved in the cultural aspects of life can move freely and exchange ideas. I agree with the noble Earl. Interestingly, only 6.2% of people who work in the creative industries come from the EU.

Lord Wigley (PC): My Lords, is the Minister aware of the benefit that has come to Wales from the INTERREG programme, whereby the creative industries in Wales and Ireland have had many projects of mutual benefit? When we leave the EU and Ireland remains in, how on earth will it be possible for those projects to continue?

Lord Ashton of Hyde: When we leave the EU, the Government will have to decide how to support industries in the UK. The difference is that we will be able to decide that for ourselves.

Lord Howell of Guildford (Con): Would my noble friend accept that—aside from the people aspect, which is rightly being raised—while fully applauding the colossal success of our creative industries around the world, they are mostly in the form of services in digital information transmission and exports? This is a services area where, frankly, the single market has not been very encouraging over the last 30 or 40 years when we have been a member. Would he accept that, in fact, the real prizes and best opportunities for the service industries are going to lie increasingly outside the European Union? That is where, as we have already heard in

[LORD HOWELL OF GUILDFORD]

earlier questions, we are going to make a major mark. The single market is fine but not the best deal for our service industries.

Lord Ashton of Hyde: I agree that it is very important that we look at other countries outside of the EU, but the EU will remain important to us and we can still continue to trade there. As far as the digital market is concerned, it is obviously easier in some ways to trade with other countries because distance does not matter so much. To that extent, I agree with my noble friend.

Baroness McIntosh of Hudnall (Lab): My Lords, I return to the point made by the noble Earl, Lord Clancarty. Does the Minister agree that part of the reason why our creative industries—in particular, our performing arts—are so admired worldwide is that there is a very free interchange internationally of artists? Will he also agree that it is increasingly difficult for people who do not have the right to work here as EU citizens to get visas? It is a difficult, time-consuming and often demoralising process. Will he ask his colleagues in the Home Office please to note that, although we have not yet left the EU, the prospect of those rules applying to EU citizens in the future is liable to have a rather chilling effect on the international flow of talent?

Lord Ashton of Hyde: As I said before, I completely agree that cultural interchange is important and, by its very nature, it requires people to move around. I can assure the noble Baroness that that is well understood and it will be taken into account—among a host of many other factors—by the appropriate departments.

Lord Stevenson of Balmacara (Lab): My Lords, one other feature of the creative industries, which is important to bear in mind, is that they are a mixed economy. As well as the commercial and profit-seeking side, there is the publicly supported side—particularly the BBC and Channel 4. Does this not suggest that the Government should do more to support these national institutions?

Lord Ashton of Hyde: I think the Government do a huge amount to support those institutions. I think we spend £3.9 billion on the BBC.

Lord Clement-Jones (LD): My Lords, the Minister gave a very careful reply to my noble friend—an extremely careful reply. Is the bottom line that the Government are not going to guarantee the current level of funding to our creative industries?

Lord Ashton of Hyde: No, that is not what I said. I gave a very careful reply, as the noble Lord mentioned. In fact, for the creative industries, the most important fund is the Creative Europe fund, which is applied for directly to the EU. Funds that are applied for directly to the EU have an unconditional guarantee from the Treasury until we leave.

European Union and Canada: Comprehensive Economic and Trade Agreement *Question*

11.29 am

Asked by Baroness Falkner of Margravine

To ask Her Majesty's Government what assessment they have made of the current state of negotiations of the Comprehensive Economic Trade Agreement between the European Union and Canada; and what lessons they have drawn from these negotiations.

Baroness Mobarik (Con): The UK remains fully supportive of CETA and of the EU's wider trade agenda. We have been working closely with the Commission and other member states to enable signature of this agreement to take place, and negotiations are continuing in Brussels today. As noted by the Prime Minister, we are not looking to replicate a model that another country has; we want to ensure that we have the right deal for the United Kingdom.

Baroness Falkner of Margravine (LD): I thank the noble Baroness for her reply. I wonder whether she recognises these words: Brexit,

"means immediately seeking Free Trade Agreements with the biggest prospective markets as fast as possible. There is no reason why many of these cannot be achieved within two years. We can pick up the almost complete agreement between the EU and Canada, and if anything liberalise it".

In case she does not remember them, they were written on the website of Conservative Home by the current Secretary of State for Exiting the European Union, Mr David Davis. Do the Government still believe that their bespoke deal can be delivered in two years? What bilateral talks are they having with other EU member states to prevent the UK deal being a "mixed" agreement, needing ratification in over 30 assemblies and parliaments?

Baroness Mobarik: I thank the noble Baroness for that. I think that there were several questions there and I shall attempt to answer at least one of them. The UK is unique and the deal that we negotiate will be bespoke. The relationships that Canada and the UK have with the EU are very different. We are an EU member state, whereas Canada is not. The UK is an important market for the European Union and therefore an ongoing trading relationship is in the EU's interests.

Lord Forsyth of Drumlean (Con): My Lords, is my noble friend not rather tired of these Moaning Minnies? Today we learned that the economy has grown by 0.5% and has not gone into recession. We also learned that Nissan is going to build its cars in the north-east. Should we not take a positive view looking forward, and is not the lesson of the disintegration of the Canada deal that it is extremely difficult to negotiate with and involve 28 countries and 28 interests? In the future, we will be able to decide for ourselves.

Baroness Mobarik: I thank my noble friend for those very helpful remarks.

Lord Howarth of Newport (Lab): My Lords, will the Minister not accept that CETA was cooked up all too secretively between officials and corporate lobbyists; that it is no less objectionable than TTIP; that giving power to corporations to sue Governments in an international tribunal when they think that their anticipated profits might be jeopardised by new laws is not compatible with our parliamentary and judicial traditions; that this House ought to record its gratitude to the stout Walloons for blocking it; and that we should be extremely wary of the General Agreement on the Trade in Services, which is the next one looming?

Baroness Mobarik: In terms of scrutiny, we are not going against procedures; we followed the usual procedure and responded in detail to the concerns raised by the scrutiny committees in both Houses. There will be debates, such as this afternoon's debate on global free trade, votes on the great repeal Bill and, very likely, votes on any new arrangements and consequential legislation. We want to offer maximum transparency and scrutiny as long as we do not compromise our negotiating strategy.

Lord Tebbit (Con): My Lords, does my noble friend not agree that what we have seen in the negotiations between the European Union and the Canadian Government is an example of totally dysfunctional, incompetent and blundering government in Brussels? There is no democratic way in which that can be altered. Does that not make a very strong case for getting out from that shambles as fast as we can?

Baroness Mobarik: We regret that agreement has not been possible by all member states at this stage. The UK hopes that agreement is reached swiftly in order for it to be signed. However, the UK continues to support the EU's trade agenda, including CETA. It is an important trade agreement for the UK, with an economic benefit to UK business while we remain in the EU estimated at £1.3 billion.

Lord Reid of Cardowan (Lab): My Lords, is not the point shown by the Canadian negotiations that seven years of work have been scuppered by a sub-state institution inside Europe? Do the Government recognise the difficulties of the path on which they have embarked, for there are sub-state entities in the United Kingdom, such as the Scottish Parliament, and in every other state in Europe? Can the Minister therefore assure us that in this complex, huge, interlocked series of negotiations there are no issues which require other than qualified majority voting? In other words, is every single aspect of this negotiation free from the prospect of a unanimous decision being scuppered by a sub-state institution, here or in Europe?

Baroness Mobarik: We want the best deal for the whole of the United Kingdom. The UK is a unique case. We want to negotiate something bespoke, but that is not to say that we are not looking at every single region of the United Kingdom to see what is best for it.

Lord Pearson of Rannoch (UKIP): My Lords—

Lord Spicer (Con): My Lords—

Lord Livingston of Parkhead (Con): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, time is up.

Business of the House

Timing of Debates

11.36 am

Moved by Baroness Evans of Bowes Park

That the debate on the motion in the name of Lord Leigh of Hurley set down for today shall be limited to 3 hours and that in the name of Lord Holmes of Richmond to 2 hours.

Motion agreed.

Select Committees

Membership Motion

11.37 am

Moved by The Senior Deputy Speaker

That Lord Stoneham of Droxford be appointed a member of the following committees: Finance (in place of Lord Newby) and Privileges and Conduct, Procedure and Selection (in place of Lord Wallace of Tankerness).

Motion agreed.

Brexit: Domestic and International

Motion to Take Note

11.37 am

Moved by Lord Leigh of Hurley

That this House takes note of the opportunities presented by the United Kingdom's vote to leave the European Union for the promotion of global free trade, and the impact on domestic and international trade.

Lord Leigh of Hurley (Con): My Lords, it is a great honour to lead off this take-note debate. I start by clearly stating my position. The debate title shows that opportunities abound if we can become an, "outward looking champion of global free trade".

We can do that only if we leave the EU customs union, and it is to that that I want to address my remarks.

In 2008, after seven grueling years of negotiation, the Doha round of trade talks collapsed as India, China and the US failed to agree on farm import rules. TTIP continues to founder as unions promulgate the barely even half-truth that it will lead to mass privatisation of the National Health Service. The raging US presidential debate piles myth on top of myth about the supposed damage caused by free trade, with startling implications

[LORD LEIGH OF HURLEY]

for not only TTIP, but other trade agreements as well. Despite the UK having a trade commissioner present in the case of Doha during these events, the UK's voice in trade was subsumed into that of the EU. Now, no longer. Now is the time to articulate our own vision of global free trade. I pay tribute to my noble friend Lord Maude, who began to do this with some alacrity, even before the referendum.

Leaving the European Union, which, for transparency, in case noble Lords had not guessed, I disclose that I voted to do, has undoubted risks. We have seen this with the slide in sterling and its possible implications for inflation. We may yet see it in business confidence and inward investment as the Article 50 negotiations proceed, with every summit, press conference and crossed word capable of moving markets. But, for all these threats, one such opportunity stands out. It is shown in the title of the debate—namely, for,

“this country to be an outward looking champion of global free trade”.

This is something for which the Conservatives have historical form. The Corn Laws were a great and terrible example of how protecting local producers at the expense of cheaper imports impoverished UK consumers. It was contentious enough to split the Conservative Party, but it seems to me, when we speak against global free trade today, that we are essentially making the same mistake, favouring narrow producer interest over the common good. Indeed, in 1904 we had not gone far enough for one Winston Churchill, leading him to join the Liberal Party in response to our ongoing fixation with tariffs. I look forward to hearing whether the modern incarnation of that party is similarly dedicated to free trade.

In the context of leaving the EU, how do we make this into an opportunity for the UK? There are many permutations for our future relationship with the EU, but I want to focus on what opportunities we might avail ourselves of by leaving the EU customs union. If we are to become a global trading nation once again, we must do so. While some UK businesses accustomed to the existing arrangements may cry foul, it is surely a price worth paying to be outside it. This is principally because, if we are, we can strike free trade deals of our own, and, indeed, grandfather into some free trade agreements.

We will not be bound by the protectionist whims of the EU. It is worth remembering that while tariffs have been eliminated between member states, they are most certainly imposed on countries outside the EU. It is worth bearing in mind that these tariffs were devised to protect certain EU industries in which the UK may not have any or significant interest. Once outside the customs union, we can reduce tariffs on non-EU countries, meaning low prices for British consumers.

Here I commend the excellent work of the Policy Exchange, in particular Dr Geoff Raby and his work on free trade. He tells us, for example, that the EU currently imposes tariffs of 165% on dairy products, 192% on livestock and 197% on horticulture. In addition, he cites the EU's 97 anti-dumping measures, which were not designed with protecting British interests in mind. Once out of the EU, we will have a huge

competitive advantage over EU countries. Yes, we will be bound by existing regulation, but we will not have to adopt future regulation. Achieving a mutually beneficial UK-EU trade treaty is viewed as a challenge by some, despite the fact that there is a deficit in both goods and services with the EU. In reality, all we have to do is merely to strive to maintain the status quo—an unusual objective, which so many EU businesses, despite pressure from EU leaders, are keen to see.

Notably, at worst, if no specific trading relationship were put in place, the UK would continue to trade with the EU using WTO most-favoured nation rates. For most manufactured goods, the EU's most-favoured nation tariff rates are low, so UK exporters could certainly continue to trade profitably. To reiterate, this is the worst-case scenario, in that no alternative arrangement had been put in place. As Dr Raby said recently, “a EU-UK FTA”—free trade agreement—

“would be the most unusual trade negotiation in modern history. It would involve two highly integrated partners negotiating to introduce new trade barriers (such as tariffs, quotas, or non-tariff measures) which would make both parties worse off. This is the opposite of what trade negotiators are trained to do. The art of any trade negotiation is to produce win-win outcomes, not lose-lose”.

We should not underestimate how integrated the UK and EU markets are. Therefore, the barriers to signing a free trade agreement are much lower than with third parties. To those who recently referred in this House to the collapse in talks between the EU and Canada, this gives insufficient credence to the amount of existing alignment between the EU and the UK in both standards and regulations. This is a crucial point. I know others will go on to explain difficulties in doing business with the EU, but we have an enormous degree of alignment.

One obstacle that is often mentioned is the labour chapter, but the EU has many FT agreements where there are no labour chapters. I am thinking, in particular, of Turkey. Once outside the EU, we will automatically become a member of the WTO. Those saying we will have to re-join by negotiating with 163 countries are not right. As the WTO Director-General Roberto Azevedo has said, Britain would “remain” a member. He was not quite as helpful as in some of his comments in June, but he has now confirmed that we would remain a member and would then need to re-establish the defined terms in the WTO for trade in our goods and services. We could put ourselves on the fast track to do this by accepting higher commitments. This would involve opening up our economy significantly, but that is where the future should lie for our trading policy anyway. This would require real leadership from the Government.

This free trading approach is already gaining traction. At the recent G20 meeting in China, India, Mexico, South Korea and Singapore, all hugely dynamic economies, expressed an interest in freer trade with Britain. My recent trip to Israel with the APPG as a guest of the Israeli Government confirmed that this high-tech, fast-growth economy, is keen to sign a deal with us as soon as possible.

Your Lordships may have noticed that during the summer, UK politics seem to go a little quiet, so in mid-July I found myself at the Republican Convention in Cleveland, Ohio, as a guest—as an observer, I

hasten to add. It was clear there that many in the States, and certainly in the Republicans, are very keen on a trade treaty with the UK at the earliest opportunity—and why should they not be? Britain is already second, behind only the US, for foreign direct investment. We can now showcase our own dynamism on a global stage. UK businesses may fear that renegotiating customs duties, and rules of origin will be fiddly in the extreme, but we need to look at this strategically. Our goal should be turning a European opportunity into a global one.

I am concerned that some are going in a different direction. The leader of the Opposition has already tumbled down the slippery slope of protectionism, claiming that free trade has,

“been pursued at the expense of the world’s most fragile economies”.—[*Official Report*, Commons; 7/9/16; col. 338.]

I suggest he take a trip to Mexico, a country he should know well, where he could see first hand the benefits that NAFTA has brought to businesses and the economy there. It is a truism we should repeat daily: capitalism and free trade have eliminated more poverty than any aid programme. Despite their free trade policy’s once being of sufficient vim to entice Churchill to cross the Floor, the Liberal Democrats, I believe, remain wedded to the straitjacket of the customs union, failing to see the opportunities outside the EU for British consumers and businesses.

It is true that some 40% of our £500 billion of exports in goods and services currently go to the EU, but in 1991, that was more than 60%. Only £48 billion goes to the Commonwealth, for example. This surely shows us what potential for growth we have. Take China. We have doubled exports there in the past five years, and Chinese investment into the UK is growing at 85%. Imagine what we could do outside the customs union. I am delighted that our new Prime Minister has already been on a trade trip to China and is taking a plane load of SME businessmen and businesswomen to India next month.

I hope this is the optimistic and outward-looking approach that the Government ultimately adopt, and I hope they will be joined by noble Lords from all sides of the House. I look forward to contributions from some extremely distinguished experts and, more important, practitioners in international trade, far more so than would ever be possible in the other place. I particularly look forward to the maiden speech of my noble friend Lord Gadhia.

I began today by lamenting the loss of a distinct British voice in the global debate on trade from our position within the EU. Our re-entry into this most vital of debates is exactly what is needed to dull the voices of protectionism and get global free trade talks back on track. Since as far back as the Suez crisis, so many have questioned what Britain’s role in the world is and what it should be. I think that we may have found it again.

11.50 am

Lord Haskel (Lab): My Lords, I always welcome an economics debate, and I looked forward to hearing what the noble Lord had to say because of his long business experience. I look forward to hearing the

Minister too. But I was a little confused by the noble Lord’s words, because I always thought that we were an outward-looking champion of global free trade. I know that we were there when China announced the open door policy in 1978. We have been active in Asia, North and South America and the Middle East—trade delegations have been going there for years, with government departments and trade organisations developing and promoting UK goods and services. The noble Lord implies that this was hindered by our membership of the European Union. My response is one word: Germany. We have been very open for global free-trade business at home. The proof lies in the large number of UK businesses owned from overseas and the success of inward investment. Certainly, much of this investment was influenced by our membership of the European Union. It must be important that we retain these trading links, links that must not be sacrificed for political ends.

After all, what is modern world trade? It is relationships that lead to investment, trade in goods and services and movement of people, which nowadays are interconnected and interdependent. Much of this is taking place in an intangible digital world. This is why it pays to belong to a single market: it facilitates this rather complicated structure. Yes, the alternative is protectionism, but it is the kind of protectionism and national control of business that we see in places such as Russia, Turkey or China and which is on the rise in the face of declining growth in trade.

The noble Lord spoke of activating our own individual membership of the WTO. This could be a hair shirt. The WTO rules are very unforgiving. For instance, until we make our new arrangements, we shall have to charge tariffs on goods coming into this country. The noble Lord spoke of tariffs, but they are only one part. More important in world trade are the rules and standards, not only the technical standards set by standards institutions but the myriad product and service rules on health and safety, animal welfare, tax avoidance, labelling, the environment and modern slavery—I could go on. So is it envisaged that we will simply adopt the arrangements that currently exist between the EU and the WTO, or does becoming more open to world trade mean that we will seek our own detailed arrangements? If we do not accept those standards, we just enter a race to the bottom.

So, internationally, I do not see any benefits; domestically, I can see only problems. For instance, our membership of the European Space Agency gives us access to satellites which touch many sectors of our domestic economy—transport, communications, security, farming, land use and weather. Healthcare is being revolutionised by gene editing and stem cell therapy, much of it funded by the EU Horizon 2020 programme and work at the Crick Institute. Yes, the Chancellor has guaranteed that, if withdrawn, this funding will be continued by the UK taxpayer, but it is well known that, on average, international collaboration leads to much higher quality research than national research. So should we pay our dues to remain in the Horizon programme and to be a member of the European Space Agency? These are just two of the possible domestic difficulties.

[LORD HASKEL]

It seems to me that we first have to get our own house in order, to make our own economy more resilient to a world of free markets. We need to build back our currency; raise productivity; modernise by building the fourth industrial revolution into our economy; and redouble our efforts to encourage long-term investment. We need to become less dependent on low-cost labour and immigration and focus on employee engagement and real growth in wages through investment and productivity and raise the standard of our goods and services. This is what world trade is about.

What does this add up to? To get rid of uncertainty we should maintain our access to the EU single market through membership of the European Economic Area with generous movement of people; sign up to the same existing arrangements between the EU and the WTO; and get on with the real work of an industrial strategy to build our economy. The noble Lord seems to be saying that disruption brings opportunities. Sometimes it does, but uncertainty is always the enemy of growth.

11.56 am

Lord Tugendhat (Con): My Lords, this is the second time in recent weeks that I have had the pleasure of speaking in a debate opened by my noble friend Lord Leigh and I am very grateful to him for initiating this one. I also look forward to my noble friend Lord Gadhia's maiden speech.

Although I disagree with my noble friend Lord Leigh on a number of points, there are two on which I hope we do agree. One is that the decision to leave the European Union is a profoundly important one and the second is that, whichever side one was on in the referendum, one must strive to make it a success. To do that it is important to face facts. One of the biggest problems during the leave campaign was the extent to which those advocating leave tried to make everything sound so easy—epitomised by the remark of the now Foreign Secretary, Boris Johnson, that one can have one's cake and eat it. That is something which he may be able to do but it is very difficult for the rest of us to achieve.

That error has been compounded since the referendum by the propensity of some Ministers to accuse those who point to difficulties of trying to undermine or reverse the referendum. That is a tone that has come through all too often in some ministerial statements. The reverse is true. We point out the difficulties in order to find ways of overcoming them and to avoid the pitfalls.

What is so extraordinary about the decision to leave the European Union is not that we have undertaken a profound change of policy—democracies do that. What is so extraordinary is that we are undertaking this immensely important change with absolutely no plan of campaign at all and having to make it up as we go along. That is why those of us on both sides of the argument have a duty to point to difficulties in order to find a way through.

Nothing is more important than ensuring continued access to EU markets on terms as close as possible to those that exist at present. This is partly for the obvious

reason that just under half UK exports currently go to the EU and we must safeguard this very important bird in the hand, before we try to do anything else. It is also because membership of the EU in no way inhibits us from increasing our exports to other parts of the world. One only has to look at the great success achieved by Germany in China and India and also by other EU countries to see the truth of that.

In any case, it is quite clear that special deals with other countries cannot be signed before we have clarified and agreed our position with the EU. Even when that applies, the whole climate of opinion in so many countries, including the United States, to which my noble friend drew attention, is very hostile to trade agreements. Not only that, but trade agreements are extremely difficult to negotiate and even more difficult to get through domestic legislatures. That would perhaps particularly apply in some respects in our case, because the services which are so important to us give rise to such difficult political issues in many of the countries with which we would wish to reach agreement.

Apart from all that, I draw the House's attention to one particular aspect of the British economy which is all too often overlooked, and that is the very high proportion of large British manufacturing companies that are foreign owned. The car industry is of course a particular example, but there are others. The UK has derived great benefit from foreign direct investment, but we must recognise that the companies that have bought, expanded and placed plants in this country have above all done so in order to serve the EU market. Those plants are part of a worldwide network. The companies concerned have plants in other parts of the world to serve markets in other parts of the world, so that if the plants in the UK become less competitive on the continent of Europe, those plants will not simply switch their products to other parts of the world, because the companies that own them have plants that already serve those other parts of the world. This is a problem that particularly applies in the case of the United Kingdom.

In making these points, I do not want to be thought pessimistic. If Britain, in accordance with the referendum result, takes over control of immigration from elsewhere in the EU, it cannot expect to remain in the single market on special terms. But that does not mean that a separate and distinct agreement, tailored to the new conditions, to the benefit of both sides, cannot be reached. What we must bear in mind, however, is that we have chosen to put non-economic self-interest factors at the top of our agenda. We have a right to do that, but so too do others, and when I read in today's papers that Dr Fox is complaining that other people are putting politics ahead of prosperity, I feel he should look at the beam in his own eye.

12.02 pm

Lord Razzall (LD): My Lords, the House clearly owes a great debt of thanks to the noble Lord, Lord Leigh, for bringing forward this extremely important and topical debate. The topicality and importance of it are clearly indicated by the number of noble Lords who have put their name down to speak. We all look forward of course to the maiden speech of the noble Lord, Lord Gadhia, which will follow my remarks.

As other noble Lords have indicated, the political world is now obsessed by the negotiations to come out of the European Union. Will it be a hard Brexit or a soft Brexit? What will the trade-off be between our business relationship with Europe and the restrictions on European immigration? We have not really had any answers from the Government. We have been told by the Prime Minister that we have to accept that Brexit is Brexit—but I am not quite sure where that gets us. The Prime Minister had an opportunity yesterday at Questions, in response to a question from the Leader of the Opposition, to say whether, like Baldrick, she had a cunning plan. I am not sure that her reply—that Baldrick was a member of the Labour Party, which seemed to confuse the political views of the actor with the political views of the character—was terribly relevant. Of course, I do not think she appreciated that the whole point of Baldrick's cunning plan was that ultimately there was no cunning plan. Some of us on this side of the House think that is where we are.

Apart from the creation of the Brexit ministry under David Davis, we also, as noble Lords know, have a new ministry under Liam Fox, who has been given responsibility for all our trading relationships outside the European Union. But until today, there has so far been very little debate about the issues that now face the Liam Fox ministry. Apparently he has two responsibilities. The first is to improve our trading relationship throughout the world. In this regard, he has inherited the policies of the previous Government and the team of trade envoys now led by Mark Price, the former chief executive of Waitrose. Sensibly, it seems that he is leaving this structure alone to continue its good work. I am glad that he has agreed that it should remain cross-party.

The other issue that has not really been discussed publicly is that apparently we are to negotiate trade deals with our most favoured partners—which, according to some government statements, will need to be concluded within the next two years. There are serious issues to be discussed here. First, how are we going to negotiate trade deals outside the European Union while we remain a member of it until the expiry of the two years following the triggering of Article 50—particularly when we do not and will not know the restrictions we will have to accept as part of any retention of access to the single market? Secondly, how can we put in place the trade negotiators to provide assistance in these negotiations? I suspect that most negotiators with this experience are still working in Europe, and we do not want to have to rely on law firms and firms of accountants to provide our negotiators. Do we seriously anticipate that we will be able to negotiate these deals within two years? The recent Canada experience demonstrates those difficulties.

There is a more fundamental point. We are all agreed that free trade is beneficial, as the noble Lord, Lord Leigh, indicated. Protectionism—either by tariffs or quotas—has costs, makes imports more expensive and depresses the incomes of consumers. By shielding domestic industries, protectionism diverts scarce resources to less efficient uses. This concept of free trade was advanced initially through the General Agreement on Tariffs and Trade after the Second World War and subsequently, as the noble Lord, Lord Leigh, indicated,

through the World Trade Organization. But this is not what Liam Fox seems to be advocating. Bilateral trade agreements favour some countries over others and are, by definition, discriminatory and preferential. The danger is that we confuse bilateral trade deals with free trade. Basing policy on finding partners such as Australia or South Korea will secure preferential access for our exports there and may increase trade flows between us and them. But will it enhance efficiency and improve British living standards? That is the question that Liam Fox, the noble Lord, Lord Leigh, and their colleagues need to answer.

12.07 pm

Lord Gadhia (Con) (Maiden Speech): My Lords, I speak for the first time in this House with all humility and respect for an institution that has welcomed me so warmly to its fold. I have been here for only a few weeks, yet it feels like several years, and I mean that as a compliment to your Lordships. The officials, clerks, attendants and doorkeepers have all been exemplary in their professionalism and courtesy—so professional that on the day of my introduction I was prompted discreetly, with a firm tug of the ermine, not to forget my signature on the roll of Peers and the Code of Conduct.

All rites of passage require trusted guides to navigate the important journey ahead, and my entry to this House has benefited hugely from this tradition. I am indebted for the support and guidance of my two distinguished sponsors, my noble friends Lord Popat and Lord Fink. I also acknowledge, with much gratitude, the wise counsel of my mentors, my noble friends Lord Borwick and Lord Geddes. To top it all off, I have benefited from the spontaneous generosity of an honorary mentor in the form of my noble friend Lord Leigh of Hurley, who has so eloquently introduced today's debate.

The topic of both debates in this House today, on championing global free trade and promoting social mobility, could not be more intertwined with my own journey to these Benches. Noble Lords will therefore get two maiden speeches for the patience of sitting through one. I am the very first generation of my family to be born outside India. My grandfather took the brave decision to travel 3,000 miles across the Indian Ocean from the state of Gujarat, in north-west India to Uganda, where I was born. Gujaratis are well known as a trading community, for their entrepreneurial flair and god-fearing modesty. We are often seen as pioneers—establishing ourselves in new countries, businesses or professions—and represent the majority of the 1.5 million British Indians in this country. I believe that globally connected communities will be of ever greater value as we forge new trading relationships with the rest of the world.

Had it not been for a twist of destiny, I would still have been in Uganda today, but the despot Idi Amin had different ideas. In 1972, he served notice on 60,000 Asians to leave the country. We were forced to flee overnight, leaving everything behind. To his eternal credit, the then Prime Minister Edward Heath fulfilled his moral and legal responsibility to provide a safe harbour to 30,000 of my fellow compatriots, and we started all over again.

[LORD GADHIA]

For most of us arriving here, it was our third country and we had no choice but to get it right. Migrants, as a group, are people who are prepared to uproot themselves, who want to improve their lives. They are already highly motivated. Those forced to be migrants more than once are doubly driven. The story of the Ugandan Asian community and its settlement and contribution to Britain has been the subject of important debates in both Houses of Parliament—introduced on the same day, 6 December 2012, by my noble friend Lord Popat in this House and by my honourable friend Shailesh Vara in the other place. I would commend the respective *Hansard* entries as required reading.

Immigration has become an emotive topic following the EU referendum, but let us not forget that immigration is one of the things that has made Britain great. Britain is fundamentally an open, tolerant and welcoming nation. We look out to the world for trade, for skills, for friends. We are not a small country that closes itself off to the world. That has never been our outlook and must never be. So I wear the badge of an immigrant with pride. People want to come to this country because they see us as the land of opportunity—somewhere to build a new life and secure better prospects for their families. My parents worked long hours and made sacrifices so that their children could enjoy a better future. I am standing here today precisely because Britain offered me those opportunities and I seized them with both hands.

I also had luck on my side—luck in the form of an excellent British education and the fortune to work for a number of major global financial institutions over the last 25 years. I have survived that rollercoaster ride and learned the lessons, too. I have focused on cross-border mergers and acquisitions, raising capital and making investments, frequently connecting emerging markets with western economies. I came full circle by leading some of the largest investment flows between the UK and India, ranging from steel to pharmaceuticals. This experience led me to work closely with the former Prime Minister David Cameron, who I believe did more than any other holder of his position to build a modern partnership with India and also to engage proactively with the British Indian diaspora. I am pleased to say that our new Prime Minister Theresa May is building on this strong legacy, and it will be my privilege to accompany her in 10 days' time to India on her first major planned official visit overseas, at the invitation of my fellow Gujarati, Prime Minister Narendra Modi.

I am also proud of my background in financial and professional services. It is our flagship export sector, generating a combined trade surplus of £72 billion, contributing £66 billion in tax revenues, which pays for essential public services and accounts for 2.2 million jobs, two-thirds of which are outside London. While the complex City ecosystem is difficult to replicate and usurp, we should not be complacent either. Our position is hard won over decades and should not be traded off lightly against misguided fears of immigration.

The City of London has also been one of the greatest engines of social mobility which our country has ever seen because it is rooted in meritocracy.

So sacrificing a sector where we have a natural competitive advantage, which generates significant tax revenues to pay for public services and which underpins aspiration for so many, would be a triple travesty.

Whether it is selling services or goods, we are a trading nation first, last and always. Total trade as a share of GDP has increased from just over 50% in 2003 to over 60% today. However, in Germany it is almost 90%, and we should make that our long-term objective, too.

Our natural instincts are supported by hard logic. The Brexit imperative is also an economic imperative. At a time when fiscal policy is still constrained and the efficacy of monetary policy has long since been exhausted, liberalising trade offers a policy lever that can lift economic growth potential around the world against the centripetal forces of deflation.

I also believe that, with some deft footwork, we can get to the front of the queue on trade deals. While we cannot sign actual trade deals, there is nothing to stop us agreeing MoUs, as confirmed by my noble friend Lord Price in his recent evidence to the EU External Affairs Sub-Committee. I make this exhortation to EU leaders: liberalising trade is a positive sum game; you may want to teach the UK a lesson for leaving the EU, but do not betray your own self-interests by being protectionist.

In conclusion, I am deeply honoured to have been introduced to this House and given this opportunity to serve this great country. As a Hindu, the act of selfless service, or *seva*, combined with right conduct, or *dharma*, are among the noblest of Vedic traditions. I truly believe that our best times lie ahead if we can capture the full benefits of being an open, outward-looking country that embraces global free trade and welcomes new talent to our shores. Let us make that dream—a British dream—our destiny.

12.16 pm

Lord Lupton (Con): My Lords, I am sure that the House will agree with me that that was a powerful maiden speech by my long-standing and now noble friend Lord Gadhia. It drew on his displaced, almost nomadic, early life and on the debt which he palpably feels to this country, which took his family in. He is, however, too modest to highlight the notable success he has had in the London-based financial services industry, nor did he refer to his active and consistent track record of public service—either as a trustee of Guy's and St Thomas's hospitals, or as a board member of NESTA, UK Financial Investments or UK Government Investments—or his philanthropic activities. I am, therefore, pleased to speak after him, since I shall allow myself just a little reflected glory for spotting the talent and recruiting him as a fresh-faced graduate in 1991 to my former firm, perhaps creating the foundation for his future success. He will make an important, enlightened contribution to this House and I congratulate him on his maiden speech.

While I admire the conviction your Lordships bring to this debate on the opportunities and benefits that the UK can now reap post-referendum, it is still a little too early to be entirely confident about predicting a positive result—from whatever route we choose.

Having said that, there are some pointers. We could use history as a guide; my noble friend Lord Leigh of Hurley has already referred to the corn laws. The economist James Wilson described them at the time as,

“laws passed by the seller to compel the buyer to give him more for his article than it is worth. They are laws enacted by the noble shopkeepers who rule us, to compel the nation to deal at their shop alone”.

Indeed, Wilson dismissed tariffs, saying they were unnecessary “swaddling” against an economy as mature as Britain’s in the 19th century.

On the other hand, we know that opening up our economies to global competition, as we would be doing outside the EU—which currently has significant external tariffs to protect EU industry—carries risks. For example, after China joined the WTO, the US lost 6 million manufacturing jobs between 1999 and 2011.

Another pointer is economic research. Consumers in closed countries have a lot less purchasing power, and the effect is progressive. Academics at Columbia University suggest that in an average country, if trade borders were closed, citizens on higher incomes would lose 28% of their purchasing power but the poorest 10% would lose a horrifying 63%—something the leader of the Opposition should note carefully. Free trade adds to growth. Trade with the EU, since we joined in 1973, has increased Britain’s GDP by 10%.

So at this stage we should be careful about what we wish for. There are conflicting economic and political forces at work, the latter pushing for immigration control of our borders outside a customs union, the former less clear-cut, although I lean towards leaving the EU customs union.

My second point is a simple one. Britain is a major economic force in the world. We are an inventive nation, we are pioneers. While it is sensible to allow history to inform our decisions, as I have already done in this speech, it concerns me that we hear in the debate about Brexit too much about this or that established model for leaving—there is no model for leaving, no country has ever done it. The rhetoric should embrace the concept of an innovative and, above all, bespoke solution being devised, which forges a new path for the UK while being acceptable to our European partners.

My final point echoes a speech I made in this Chamber a few weeks ago about the feeling of disfranchisement among the working poorly skilled and educated, who are of such concern to this Government. We must of course back British exporters more. We have world-leading capabilities in, for example, advanced manufacturing, pharmaceuticals, financial services, and emerging technologies such as artificial intelligence. A modern industrial strategy must support British business to reach beyond the EU to new markets, but we must be open to helping those who could suffer as a result of our economy being more open.

Academics at the LSE have found that areas of the country such as Northampton, Blackburn and Port Talbot, which are more exposed to Chinese imports, for example, have a higher rate of unemployment. The UK has something called the rapid response service, which is meant to help the economically displaced, but its activities are frankly unclear and in 2008, when the other place investigated it, it had a budget of a paltry

£6 million. It is clear that we will need our own adjustment fund with a much bigger budget and much clearer strategic, industrial purpose.

It is not enough to say that the UK overall will benefit from more openness to trade. We will have to identify where people are not benefiting and support them to develop new economic activities, just as we did in the north-east of England a generation ago, when the closure of the coal mines left an industrial vacuum so successfully filled by our becoming a highly efficient car manufacturer, as again demonstrated by Nissan today.

12.21 pm

Lord Davies of Stamford (Lab): My Lords, let me start by paying a tribute to the noble Lord, Lord Gadhia, who I thought delivered a particularly well-conceived and lucid maiden speech. I share his great admiration for Edward Heath and the Conservative Government in the 1970s; I was a political supporter of the Conservative Party and of that Government at that time. Their brave decision to let in the Ugandan east Asians was taken for the highest motives of humanitarianism and a sense of historical obligation for the movements of peoples that had taken place under the British Empire. If the motives were very pure, we have been rewarded many times in sheer economic terms by the extraordinary and quite exceptional enterprise and wealth creation of that community, which has now become such a valued part of our country. I cannot help saying what a sad thing it is that the Conservative Party which made that brave decision back in the 1970s should now be the hotbed of chauvinism and the source of so much agitation about freedom of movement—and indeed should have become so obsessed by its desire to oppose freedom of movement that it appears willing to pay almost any economic price to thwart it.

I pay tribute to the noble Lord, Lord Leigh, for having given the House the opportunity to discuss this matter, though I am afraid that may be the last compliment I deliver to him in the course of my remarks. I very much agreed with the noble Lord, Lord Tugendhat, about the dangers of wishful thinking in this world. He expressed himself perhaps a little more subtly than I will on the subject. I think that wishful thinking is a very dangerous thing in human affairs and, particularly when one contemplates a large, strategic decision of any kind, great effort should be made to clear one’s mind of wishful thinking. I do not think that the noble Lord has made that attempt. I have not heard for some time a more delusory speech than the one we just heard from the noble Lord, Lord Leigh. He seems to be one of those people who goes around the world and hears what he wants to hear rather than what people are saying. Here is a man who apparently went to the Republican convention, no less, and came away thinking that the Republicans were friends of free trade and very likely to want a free trade agreement with the United Kingdom. I have to tell him that the Republican Party now opposes TTIP, and some of its members even oppose NAFTA. The Republican candidate at the presidential election has said that he opposes NAFTA. So much for the Republican enthusiasm for free trade at present.

[LORD DAVIES OF STAMFORD]

The noble Lord also mentioned India and China. India and China have indeed developed a very good relationship with this country and invested a lot here; we have done a lot of trade with both those countries—although the Germans have, of course, done far more trade with both. However, the noble Lord does not appear to have noticed that during the campaign those two countries made it very clear that that relationship had been greatly strengthened by the fact that we were members of the European Union, and they wanted us to remain part of the EU. Xi Jinping and Narendra Modi were both explicit on this point. If the noble Lord listened a bit more carefully to what people are telling him, he might not draw such very perverse conclusions from his running around the world and his global travels.

The noble Lord made another great mistake—indeed, a fundamental mistake: to suppose that there was some trade-off between developing international trade with the whole of the rest of the world outside the EU and our membership of the EU. There is no such trade-off; there is no evidence of that at all. In fact there is a negative trade-off. Our membership of the EU is a very positive asset in terms of our ability to trade with other people. I must tell the noble Lord, because he does not seem to know about this, that the single market was conceived for precisely that reason—so as to provide European economies with the strength of a domestic market comparable to that enjoyed by the United States and Japan, and to give us the longer production runs and economies of scale that enabled us to compete with those countries right around the world.

That has worked. That is why we have such an extraordinarily complex and sophisticated structure of supply chains throughout the European Union—and that is why it is so dangerous for us to leave the European Union. Immediately there is the threat not only of tariffs but of regulatory changes over time, and people will no longer be able to depend on our presence in one of those supply chains.

The noble Lord seems to think that we can go around the world signing free trade agreements with all kinds of people very easily. He is totally wrong about that. If we leave the European Union we shall leave, at the same time on the same day, 35 free trade agreements that the EU has with other countries or groups of countries throughout the world, involving about 45 nations in all. What a completely crazy thing to do, if we want to sign FTAs around the world—to walk away from 35 of them before we have even started. Then we will have to start negotiating new foreign trade agreements, and they take an average of five to 10 years. On this occasion things will be even more complicated, because we will not be able to complete one until we have completed another, as people will want to know what concessions we have made to their potential trade rivals. This is an extraordinarily complex area, and the noble Lord really needs to think about it a bit more clearly.

I leave the House with one final thought. We have two big important economic assets in this country. One is the fact that we have been the most favoured locus for corporate headquarters and manufacturing

bases for international investors wanting to access the single market. Clearly, if we leave the European Union that will go overnight. Our second great asset is that we are the financial capital of the European Union. That is under direct threat. If we leave the single market we leave the banking and insurance passports, and that asset too will go by the board. It is pretty extraordinary that the Government of a country are planning to destroy, at a stroke, the two major economic assets that it has. That is a frightening thought and we should contemplate it, and try to clear our minds of any kind of wishful thinking about it, before we do that.

12.28 pm

Lord Livingston of Parkhead (Con): My Lords, I first thank my noble friend Lord Leigh for tabling this important debate. I also welcome my noble friend Lord Gadhia to this House. I have known him for a number of years, and I know that he will be a great addition to this Chamber. His powerful maiden speech highlighted his background, experience and expertise, and what he will bring to this House.

Often in these debates we tend to decry the UK's export performance, and of course we do have a trade gap. But it must be remembered that the UK is one of the world's leading exporters—not just in services, although we are the second largest exporter of services across a range of service industries. That includes not just financial services but creative industries—the publishing industry deserves a good mention—and sectors such as the car industry. We are now the second largest producer of motor cars in Europe. We are also the second largest exporter in the world in the aerospace industry. Therefore, our exporters do a good job but, of course, we would like to see more exports.

However, whichever side of the Brexit debate you are on, I think there is widespread agreement that the uncertainty of Brexit certainly does not help. The notion that we will exit the EU in 2019 with a range of trade agreements with a number of countries is appealing but, regrettably, I believe that it is unrealistic, even verging on the fanciful. It is not that there are no interested countries: there are plenty of countries interested in doing a deal with the fifth or sixth largest economy in the world. However, there are still legal issues regarding the ability to negotiate during Brexit. The Australian Trade Minister made that point very recently, and Australia was already starting to talk to us. Moreover, it is very difficult to have meaningful conversations with the UK until we sort out our position with the EU. Mike Froman, who heads the US trade commission, and who I knew very well during my time as Minister of Trade, made that point very clearly. He would be willing to talk to the UK but we have to work out what our relationships are going to be. We can, over time, reach trade agreements, and they can be comprehensive, good and quick. Unfortunately, they cannot be all three of those things. It is important that we do not sacrifice the quality and breadth of a trade agreement on the altar of time. That will not be in our country's long-term interests. Therefore, we need to play for time.

I loudly supported staying in the EU and regret the decision that was made. However, we have made this decision and it is not helpful for us to go through the

arguments for and against Brexit. I agree with my noble friend Lord Tugendhat that we must get on and make the best of it for the UK. I also think that a message was sent out about taking back control. In the long term we will need to exit the single market and the customs union. People talk about Norway and government by fax machine, but being in the single market would create new rules for us over which we had no say. I think that would be very difficult. When I visited Turkey, people always complained to me about its inability to participate in trade agreements when it was part of the customs union.

Therefore, we need to buy ourselves time. I suggest we do that by agreeing with the EU to establish beyond the two-year Brexit period a further period in which we will stay part of the single market but after that period—say, another three years—that will stop. We should use that period to negotiate a proper, deep free trade agreement with the EU. In addition, as we would know our end status, we could start negotiating with other partners. We can debate whether that involves having a CETA-plus deal or is something new but it must include deep free trade and tariff cuts; non-tariff barriers; availability, for instance, for local procurement; and, critically—most trade agreements do not have this in depth—it must include services. Services account for 80% of the UK's economy and without them we will struggle to increase our overseas exports.

As we negotiate these agreements, we must look to certain countries. The US is our largest trading partner. We will see who the next President will be but the US will prioritise. As regards Canada, there is a basic agreement under CETA regarding what we should do. There is also Australia and New Zealand. But we are going to have to focus because we cannot address all countries together.

I would like to say a lot more about exporting but time will not allow me. Suffice it to say that I have been on both sides of this issue. I have been a Trade Minister and I have been responsible for companies that export around the globe. I know that in both cases exporting is not easy. It is government's job to reduce these barriers, not increase them. The Government must look forward and try to give certainty to our exporters. They must also try to buy some time so that we can have a long-term deep trade agreement with many of the major trading countries around the world. In that way we can look forward to the future with some confidence and make the best of an otherwise bad decision regarding Brexit.

12.35 pm

Lord Shipley (LD): My Lords, I pay tribute to the maiden speech of the noble Lord, Lord Gadhia, and his very thoughtful contribution to this debate. I was also impressed by the contribution of the noble Lord, Lord Livingston of Parkhead, particularly in relation to his comments on the media, and his warning about the pace of exiting the EU and the need to buy some time.

We are debating the issue of global free trade, and we are grateful to the noble Lord, Lord Leigh of Hurley, for enabling us to have this debate. The Secretary of State for International Trade said in Manchester a

few weeks ago that our departure from the EU would provide an opportunity for the UK to become a world leader in free trade. He said this, which I took directly from the Library briefing for this debate:

"I believe the UK is in a prime position to become a world leader in free trade because of the brave and historic decision of the British people to leave the European Union".

We should note the words "because of". They imply that it is our departure from the EU that will enable us to grow our trade across the rest of the world. But, as the noble Lord, Lord Tugendhat, reminded us, we can increase our trade with the rest of the world while being inside the European Union. Exporting to the rest of the world is not a problem for Germany, which exports very successfully—and Germany is not planning to leave the European Union.

I question the assertion that we promote global free trade by leaving the free trade area—the EU—that we are currently in. It will not make it easier for us to promote global free trade; it will reduce our global free trade because it will reduce our free trade access to the European Union and the 35 agreements to which the EU is party. It will stifle our businesses exporting to the EU, to which 44% of our exports go. We will face tariff barriers and customs delays as we comply with complex rules of origin that will increase the cost of exporting—and we will lose the ability to influence the harmonisation of non-tariff barriers.

The Government need to recognise that we are part of integrated European supply chains. Countries outside the EU—not least the USA and Commonwealth countries—invest here to gain access to the EU. Crucially, how can it be helpful to leave the EU in 2019 when securing global free trade could take many years to achieve—if we ever do?

It is undoubtedly the case that there is capacity for growth of exports worldwide, but to make sure that our exporters are making the most of worldwide opportunities, the support provided by the Department for International Trade is key. But I draw your Lordships' attention to the fact that in the last year, the DIT's nine English regions saw major cuts in their promotion and support of exporting, with more cuts thought to be pending, perhaps over the lifetime of this Parliament, amounting to some 20%. Will the Minister, in summing up, tell us how we can promote exporting globally if the Government insist on cutting the very budgets that can enable exporting to increase?

I turn now to inward investment. A recent report produced by Nathaniel Lichfield & Partners showed that the amount of foreign direct investment that the north-east of England—where I live—has received declined dramatically from 14.3% of national jobs in 2009 to the current low of 7.8% in 2015: a cut of nearly half. I can suggest one reason why this has happened: the absence of regional targets for inward investment, which were abolished a few years ago. National targets can be achieved by the DIT by promoting London and the south-east, to the disadvantage of other parts of the United Kingdom. Over the last five tax years, the DIT's own website tells us that London and the south-east received half of all projects and 35% of all jobs. But promoting global trade means promoting all parts of the UK—and their products and their skills—to the world.

[LORD SHIPLEY]

Briefly, on overseas students, to stop talented students from overseas coming to study in the UK because the Government insist on counting them as part of net migration fails to understand that overseas students become ambassadors for the UK. Reducing the number who can come undermines our universities and says that we are neither global nor open.

The noble Lord, Lord Leigh, in introducing this debate, said that leaving the EU to promote global free trade was a price worth paying. It is a huge price, which will have a huge impact on all parts of the United Kingdom. I fear that it is not a price worth paying, and I very much hope that those who believe that the noble Lord, Lord Leigh of Hurley, is correct will pay heed to the warnings that we have already heard in this debate from his own Benches.

12.40 pm

Lord Bamford (Con): My Lords, I too congratulate the noble Lord, Lord Gadhia, on his excellent maiden speech.

I am a businessman, in the business of manufacturing and selling construction and agricultural machinery to customers all over the world. You see, exporting is in my blood, and I have been doing it for over 50 years, since I started in our family business. We now export around 75% of everything we make in the UK. We export to customers in North America, South America, the Middle East, Africa, Asia, and, of course, to mainland Europe. We also import goods and services from around the world.

There is much speculation about the future terms of trade between the UK and the EU. We currently trade with each other on the basis of zero tariffs and no import duties. It would be helpful, of course, if this carried on after we leave the EU. It has indeed made exporting somewhat easier for us all. But is it the end of the world if tariffs and import duties re-emerge upon exit? For companies that export, tariffs and import duties are not alien concepts. They are simply part of how we do business each day. I remember trading with France, Germany and the Benelux long before we joined the common market. Tariffs and import duties were simply part and parcel of doing business with Europe back then. They were not a concern or a threat to British business, unlike currency fluctuations. A weakening deutschmark against the pound could do a lot more damage than any tariff or import duty.

Please do not think for one minute that zero tariffs across the EU today mean that we operate on a level playing field. For example, my company sells farm tractors into the single market, so there are zero tariffs, no import duties and, supposedly, no barriers to trade, in an EU without borders. Noble Lords may find this hard to believe, but farm tractors must comply with at least 10 individual—and different—pieces of national road legislation, at great cost to my business, in the likes of Germany, Italy, and certain other EU markets. So there are hidden barriers. This is just one example of many in my industry that proves that the single market has not created a level playing field.

I want British business to get behind the Government. We need the Government to secure an exit deal that is

in Britain's best interests—one that will allow us to become a truly global trading nation. If tariffs are the price we have to pay to leave the EU, so be it. I hope that common sense will prevail. But if, for example, WTO rules were to apply, the EU would lose out much more than the UK. That is what Civitas concluded this week in its analysis of potential tariff costs for EU-UK trade.

In my own industry, under WTO rules tariffs of 4% could apply to certain types of UK-built machinery. Of course, similar tariffs would be levied on equivalent products imported into the UK from EU countries. But British businesspeople are very adaptable. They adjust very quickly to changes in the trading environment, so rest assured they would take tariffs in their stride. If tariffs are the price that we have to pay to secure free trade agreements with the rest of the world, I think it is a price worth paying.

Please remember that, as a nation, over 54% of all UK exports go to non-EU countries. Of course, Europe will continue to be an important market, but the EU's role in the world economy is shrinking and will continue to shrink further. That is why regaining control of how we trade with the rest of the world is so important.

British businesses must now work together to help create a truly global Britain. Free from the constraints of Brussels, British businesses are certainly up to the task of making Britain a global leader in free trade.

12.46 pm

Lord Patten (Con): Two key cogs in the myriad of moving parts involved in these issues are the World Trade Organization and our own government machine.

I start with the WTO. This is, in its purposes, a non-political organisation. The UK has been there since it was first dreamt up at Bretton Woods in 1944. We were there at the foundation of its predecessor body, the General Agreement on Tariffs and Trade in 1948 and then at the start of the WTO itself. We are one of the founding fathers and mothers of the organisation and a driving force. As such, I wish to seek reaffirmation from the Minister that she has already had reassurances in straight terms from the WTO that, as a founder member, after we leave the European Union we will not have to go through any reaccession process whatsoever.

I think the world needs the WTO. The UK certainly needs the WTO, but the WTO also needs the UK, as a forceful member, promoting free trade, rooting out protectionism and standing firm against trade distortions. This was our historic role within that organisation in the past.

Only yesterday, by happy coincidence with the timing of my noble friend Lord Leigh of Hurley's debate this morning, the World Trade Organization's director-general Roberto Azevedo, whom we heard about earlier, told Sky News—the "truth station", as I think of it—that he does not want to see the UK suffering "disruption" after we leave the UK. He wants, rather, to see a "fast and smooth" transition. I welcome that very much indeed. He goes on to say that,

"The global economy ... is not in the best shape for us to be introducing turbulence".

Mr Azevedo has changed his tune. I hope my noble friend Lord Leigh of Hurley welcomes that change of tune, because Mr Azevedo is going to be a dominant figure on the world stage—not just as far as the UK is concerned, but as far as the European Union is concerned. The UK can take the lead in helping him work towards offering reciprocal, tariff-free entry to all sorts of goods and services coming from third countries.

Consider, for example, countries such as Germany, which are facing economic headwinds at the moment. Germany has a considerable surplus with us. It is running a surplus not just in Mercedes and Volkswagens, but also in all professional and other services into the United Kingdom—to the surprise of many. In future, we may find that the thought of having tariff-free entry to the UK has its own particular charm, to put it mildly, for economies like those of Germany. However, we need to work much harder to export to Germany, and to Poland and other eastern European countries, in return.

My second point turns to the UK Government. It must be very exhilarating and challenging on the home front for those setting up new or reformed ministries and fettling up our export promotion machine. This is a matter not just of organisation charts and talent searches but of attitude at the centre. Such global promotion is multilayered and certainly not just a matter for the huge FTSE 100 companies and their often very corporatist representative bodies, such as the CBI. Such FTSE 100 companies may often have a welcome UK heritage but generally get a majority of their earnings abroad, so they should have the global structures and intelligence-gathering machines in place not to need much help from trade delegations and the rest.

No, it is the companies of the FTSE 250 size and below, having a much more UK-centric view, that arguably deserve the greatest attention, and even more so the entrepreneurial classes—footloose, high-tech and other developing start-ups—which are characteristically very uncorporate in their attitudes. So I am very glad to learn that the Prime Minister is taking a plane-load of representatives of SMEs to India to kick off what I hope is a totally new trend, rather than having the front of the plane clogged with the CEOs and chairmen of great FTSE 100 companies, who should be able to look after their shareholders' interests without much help from Prime Ministers.

I also believe that the Government should welcome—I draw this in particular to the attention of my noble friend the Minister—what I am told is a queue of professionals in the legal and professional services who are stepping forward as volunteers, offering themselves on a continuing pro bono, part-time basis to help Her Majesty's Government in what they are trying to do. We should welcome a "Government of all the talents" in trying to promote international trade, and particularly in helping what one might loosely call the Brexit Ministries as they set themselves up, upskill and get to grips with the new world of post-EU government. These volunteers are part of our national brain reservoir.

We must also welcome—I stress this—top-class immigrant brain power. We need to develop a discerning approach to high-tech, high-medical and high-finance

open borders—in other words, a free market in the brain sphere. That is vital to the United Kingdom to help sustain old markets and win new ones, at the same time as we seek, quite rightly, to control our borders in relation to entry-level employment-seekers coming into this country.

12.52 pm

Lord Taverne (LD): My Lords, what surprises me is the complacency in the Government and in certain other circles about our trade prospects after Brexit. It is claimed that we are in a strong negotiating position but, when Article 50 is invoked, we have about a year and a half after the German elections to complete infinitely complex negotiations. We will be arguing against the clock—a very weak position to be in.

The least bad deal after Brexit would be the Norwegian model, which would keep us in the single market—although it still has severe disadvantages, now well known, and will be unacceptable to Brexiteers. Alternative forms of access, or partial access, to the single market have even greater disadvantages. Negotiating a new free trade agreement with the EU will be much more complex than the Canadian agreement, which took ages and may never have effect. Any agreement, moreover, has to be approved by all 27 other members, each with different interests and a power of veto.

It is said that it benefits the European Union to give us a soft Brexit, but there is little good will towards Britain, especially after Mrs May's speech at the Conservative conference, and several of the 27 have different reasons for not helping: they fear other separatists; Paris and Frankfurt would love to replace London's financial services; Spain has offered a secure home within the EU for London banks; and, as the imposition of sanctions against Russia showed, the lobbying power of German industry, often invoked, does not outweigh Angela Merkel's political concerns, which are mainly to keep the European Union together.

I fear the odds are that we will not reach an agreement before 2019. Can we negotiate an interim agreement, as many hope, to enable more negotiations after Brexit? That is very unlikely. The same obstacles have to be overcome and our partners know that temporary agreements often become permanent. So we will be left with a WTO solution which some advocate and which—as I understand from what has been written by Mr Peter Sutherland—involves having to submit new schedules of commitments to the WTO that will need approval by all its 164 members. That is not just a simple formality.

We will have to renegotiate, or rather negotiate, new bilateral free trade agreements with the 35 or 50—I am not sure exactly how many—countries that have them with the European Union, and with third countries with which the EU is currently negotiating. None of them will talk to us until they know what our relations with the European Union will be.

No agreement would be the hardest of hard Brexits. Our huge service industry will suffer most. As uncertainties grow, and as the prospects and implications of exclusion from the single market and the customs union become clearer, it is likely that domestic and foreign investment will decline; many companies will emigrate; the pound will fall further; and we would be in a severe Brexit

[LORD TAVERNE]

recession. What price then the sunny uplands promised by the leave camp? As Donald Tusk, one of our friends in Europe warned, the choice will be between a hard Brexit and stay.

Anyone who challenges the June vote is immediately branded as anti-democratic. But why should a referendum vote be sacrosanct, unlike the result of a general election, especially when the choice of Brexit was not clear? Did it mean staying in the single market, which is what the Conservative manifesto pledged and what many leave voters thought it meant? It is the essence of a democracy that no decision is ever irreversible. Of course we cannot have a second referendum now, but with a major shift in public opinion it would be fully justified. To deny—before a final decision to leave—that there could be a new decision would be truly undemocratic.

Finally, will Article 50 allow us to withdraw? I quote the view of a former head of the Legal Service of the Council of the European Union, Jean-Claude Piris, who wrote that the article declares an “intention” to leave, which is a unilateral act that does not depend on the views of other EU members. He wrote that an “intention”,

“cannot be interpreted as a final and irreversible decision”,

and that nothing in the article prevents the UK from withdrawing its unilaterally declared “intention”.

12.57 pm

Lord Flight (Con): My Lords, surely everyone realises the world will be better off the more it engages in free trade. As the Prime Minister recently said in Brussels:

“I am determined that as we leave the EU, Britain will be the most passionate, the most consistent and the most convincing advocate of free trade anywhere in the world”.

That was a powerful statement. Based on this, she made the point that as we look beyond our continent, we will seize the opportunities of Brexit to forge an ambitious and optimistic new role for Britain in the world. I am pleased the UK is already discussing its future trading relationships with third countries and wish all success to the forthcoming visit to India, where there is now major scope to increase our trading and financial relationships. I also congratulate my noble friend Lord Gadhia on a moving maiden speech and welcome what I believe will be the major ongoing contribution that he will make to our commercial relationships with India.

I commend to your Lordships Professor Patrick Minford’s IEA paper of this May, *No Need to Queue: The Benefits of Free Trade without Trade Agreements*. His argument is that for a country the size of the UK, which represents only some 3% of global trade, unilateral free trade is a better option than individual trade agreements which, inevitably, entail both bilateral and multilateral complications and costs. Some 70% of UK trade is already conducted under WTO rules with no involvement with EU trade deals. This includes the export of services where the EU has little or no commercial policy. Indeed the UK’s exports of services to the EU owe little or nothing to the single market. Rather, the obstruction to larger EU international trade in services arises from national barriers within the EU to protect domestic services.

Professor Minford’s practical point is that being a relatively small supplier, the UK benefits trade-wise from being of marginal importance. The UK’s share of world trade is sufficiently modest that there is little incentive to levy tariffs on UK exports. May I comment how much I agreed with my noble friend Lord Bamford’s speech, and with the point that enterprising British business has to get on with it and cope with whatever the ups and downs and issues are? My noble friend might well agree with Patrick Minford.

The fundamental point is that increased trade boosts output and raises living standards. China and India have demonstrated over the last three decades the huge gains to be made by opening up economies to world markets. This did not and does not need an expansion of trade agreements either regionally or via the WTO globally. China’s rapid growth owes little to trade agreements; it was not even a member of the WTO until 2001. Indeed, it has been the 165 non-EU states that have accounted for the majority of the world’s growth in recent years. I regret to comment that the UK in the single market is essentially part of a protectionist structure based on regulation and protecting domestic EU markets from competing international trade.

For trade in goods, a zero tariff regime with the EU would make the most sense, combined with an invitation to the EU to reciprocate, which is likely to be attractive to EU commercial organisations. This is the sort of regime that Hong Kong and Singapore have taken up, where both have a better network of free trade arrangements than the EU. Indeed, my vision for the UK post-Brexit is what I might call a super-Singapore or a super-Hong Kong. I add the point that this could equally well be organised under a WTO regime.

Of our total trade, our exports to the Commonwealth presently represent only 9%. We are the biggest exporter of services to Commonwealth countries. I believe there is huge scope to increase our trade with Commonwealth countries. As my noble friend Lord Howell of Guildford has pointed out, the Commonwealth is more suited than the EU to the expansion of trade and commerce in the digital age because of its growing emphasis on information and data exchange. The Commonwealth network could provide a gateway to the faster-growing economies of Asia, Africa and Latin America.

I would have liked to have spoken about the City, where I believe a lot of overpessimism is argued about the effect of Brexit, but alas, there is not time. I close by saying that the case for free trade is moral as well as economic. It is an instrument of poverty alleviation. Since 1990, the numbers living in poverty have fallen from 36% to 8%. I end by repeating a comment by the governor of Hong Kong in I think 1857:

“Free trade is Jesus Christ, and Jesus Christ is free trade”.

He meant by that that free trade is a hugely effective moral force in raising living standards for the less fortunate.

1.04 pm

Lord Farmer (Con): My Lords, I also begin by congratulating my noble friend Lord Gadhia on an excellent maiden speech. I also mention his great contribution in getting the Indian community engaged in the British political system.

Having started on the London Metal Exchange in 1963 I have been involved in metals trading for more than 50 years. At present, I have every intention of continuing. I am therefore grateful to my noble friend Lord Leigh for securing this debate on the impact of Brexit on trade and particularly the promotion of global free trade. We are in danger of reverting to an unattractive and counterproductive negativity, talking ourselves down and doing our great British brand a disservice. Of course Brexit has brought with it a new source of uncertainty, and business thrives on stability, but it is important to be clear-eyed about what lay behind and optimistic about what lies ahead.

Shortly before the referendum I wrote that as an island nation we have always depended on our trading and market skills and how continued membership of the European Union posed a direct risk to our unrivalled concentration of markets and trading expertise. The market in which I am most involved, the London Metal Exchange or LME, is the global pricing mechanism for base metals and has, since it was founded in 1870, provided substantial invisible exports for this country. I was concerned that European regulators were endangering the sophisticated systems and culture undergirding London markets' success. Our international reputation for trading ethically and innovatively has made Britain very attractive for investors. Yet, regulators in Brussels, issuing ever more top-down directives, effectively sidelined personal responsibility, creativity and innovative flair.

The LME, which operated smoothly and without disruption during the financial crisis, is governed by rules designed and developed over the last 150 years that are, as a result, well suited to its markets. However, these were in danger of being swept away by EU laws such as the Markets in Financial Instruments Directive II. MiFID II, as it is known, actively deters people from taking on risk in markets and betrays the assumption of those at a remove from trading that risk should be avoided. Yet risk is what gives markets liquidity. It needs good controls, but risk is a good thing.

This trend towards overregulation made it increasingly likely that the now Hong Kong-owned LME would sooner or later have been forced to relocate to Hong Kong or to another major Chinese city. The irony is that as a global exchange the LME was not affected by the single market, yet was subject to the EU's strictures, which were endangering its continued operation in London.

Now free to take back control of our regulation, we need to have a healthy dose of national confidence and self-belief on the grounds that other countries will want to trade freely with Britain, the world's fifth-biggest economy, especially if, like the EU, they are already doing so. In this interconnected world, our trade with Europe, which has a surplus of nearly £70 billion with us, is an indispensable source of jobs and wealth for their economies.

However, I wish to make another point. We are also free to help other countries create wealth through free trade. Harvard Professor and author of *The Wealth and Poverty of Nations*, David Landes, emphasises that the task of rich countries like ours,

"in our own interest as well as theirs, is to help the poor become healthier and wealthier. If we do not",

he says,

"they will seek to take what they cannot make; and if they cannot earn by exporting commodities, they will export people. In short, wealth is an irresistible magnet".

Written nearly two decades ago, he is prophetically summing up what happens when trade is not free. The European Union has to ask itself to what extent its protectionism is responsible for so many economic migrants willing to take perilous journeys across the Mediterranean and turning up on her shores with no certainty of a good outcome even if they survive the passage.

Our exit from the European Union creates a vital opportunity to make arrangements with just-about emerging economies that would previously have been at the back of the queue for trade deals with nations such as ours. Surely this would enable them to hold on to more of those citizens who want to better themselves instead of losing them to uncertain tides, flimsy boats and people smugglers.

Will the Minister provide a little more detail of what my right honourable friend in the other place, the Secretary of State for International Development, is planning in terms of free trade with poorer countries as part of her welcome drive to ensure that every penny of the aid budget is well spent? We need to ensure that the rising tide of what I believe will be our post-Brexit prosperity lifts as many boats as possible.

1.10 pm

Lord Hunt of Chesterton (Lab): My Lords, I welcome the noble Lord, Lord Gadhia, another brilliant Ugandan, to this House. I would like to hear him talk more about Uganda, which I visited when my father was in the embassy there.

We should thank the noble Lord, Lord Leigh, for this debate but also perhaps for exposing the questionable arguments for the UK's prospective departure from the EU. This is a very important debate because the magnitude and extent of trade are essential for improving the livelihoods of people all over the world and for dealing with the massive challenges of global problems, whether they be climate change, the quality of the environment or security.

I am glad to say that the mainstream of the Labour Party has always recognised that a good society works with strong trade and with public bodies. I have worked in both sectors, and the small high-tech company I helped to set up benefits from free trade in the EU but, regrettably, is completely blocked from trade with the USA. Leaving the EU may lead to our being blocked by both the EU and the United States.

It is of course the founding principle of the European countries that, within and outside the EU, they believe in trade and public bodies as being the basis of a good society. It is partly because of the broad commonality of European societies that European trade has prospered. The proposal being moved in this debate is that international trade, especially for the UK, will expand as a result of the UK leaving the EU. One has to ask, however, what will be the real benefits to the British people of detaching our business from our European partner countries when major countries such as Germany are more successful on average than

[LORD HUNT OF CHESTERTON]

the UK in both trade and productivity, both within and outside Europe, as other noble Lords have pointed out.

Germany maintains its successful trade at the same time, of course, as maintaining much higher standards of living and a better environment, especially in housing, as I would see when I visited as a councillor in the UK. Surely the UK should be working even more closely with such successful countries, whose new industrial collaboration and technological methods have been recommended for this country, for example by the noble Lord, Lord Willetts, who explained his ideas to the House of Lords Science and Technology Committee.

Indeed, the success of this new methodology, which the noble Lord, Lord Haskel, also mentioned, is attracting new investments into those countries by leading UK industrial and high-tech companies. It was excellent to hear another engineer, the noble Lord, Lord Bamford, speaking in this debate, and to hear his comments about technical collaboration. There are excellent UK companies, but I think we have to see where the leadership and the new developments are coming from.

One of the important features is what is going to happen next. One of the interesting points that I have tried to discuss with civil servants in the UK and in Brussels is what they are thinking. I have heard some sphinx-like utterances that one of their ideas is that every effort should be made for the UK and other countries outside the EU to continue to participate in technological and scientific networks based in the EU. These have been very successfully developed. Indeed, I myself, with UK colleagues, helped to set up one in aerospace and other engineering which is very important.

These networks, based in Brussels, which I am sure will continue, will greatly help UK industries and research organisations to participate in and contribute to the latest technical advances and to trade, but I am afraid that will be a second best for the UK because there will no longer be the funding streams for UK research and industry that we have seen over the past 20 years. One hopes that UK industries will also receive funding from the UK Government to participate in industrial fairs. This point was made by the noble Lord, Lord Shipley.

Criticism of the lack of funding for UK businesses to export and explain themselves was made by the British Chambers of Commerce, and that point is made in the document from the Library. Representatives of British SMEs whom I have met in various parts of the world have also complained that funding is not available for them to participate. Meanwhile, the European Commission has technological representatives all around the world, many of whom are seen at these major trade fairs. I think, therefore, that it is very important that we continue to work in these EC networks; it is clear that the EC would welcome that.

One of the other features about the development of our industry and our trade and the connections to technology will be to question how UK international trade will make good use of the UK's continued participation in these very large and technically successful intergovernmental European agencies such as the European Space Agency, the European Medicines Agency,

the European Centre for Medium-Range Weather Forecasts, telecoms and so on. It is extremely important that negotiations dealing with these agencies are very successful.

Finally, one hopes that when the Prime Minister was talking about getting closer to Europe, she was not thinking of the kind of schoolboy abuse that we heard today about Europe and we hear sometimes from the Foreign Secretary.

Lord Young of Cookham (Con): My Lords, I remind your Lordships that this is a time-limited debate, and speakers should seek to contain their speeches within the five-minute limit.

1.16 pm

Lord Horam (Con): My Lords, I do not always listen to the Whips, but I will endeavour to do so on this occasion.

I thank my noble friend Lord Leigh for this debate. As an economist, I certainly appreciate an economic debate, although I do not think "It's the economy, stupid" all the time. None the less, I think we are glad to have an economic discussion. I also congratulate my noble friend Lord Gadhia on his maiden speech. We will be very glad to have his particular experience in the House of Lords over the coming years.

I agree with my noble friend Lord Leigh that free trade is indeed extremely important. As someone who has founded a company which exports more than 80% of its products—even more than the famous company of which the noble Lord, Lord Bamford, is managing director—I am certainly in favour of free trade and always advocate it when possible. However, I would point out to the House that there are losers as well as winners in the free trade argument. Although there can be a net gain from free trade, none the less some people lose. We saw that in the Brexit debate.

I am, like my noble friend, an optimist. That may be something that is just natural to our personality—I recognise that in him—but I also feel that we are right to be optimistic in the present situation. None the less, we are in a difficult situation, and I think the noble Lord, Lord Haskel, made the point in his opening speech that uncertainty is the enemy of business. It is, and we have already seen the Chancellor make the point, on a number of occasions, that the uncertainty of the present situation is deterring future investment. Present investment is going ahead, but there is a deterrent effect on business investment. That is why I hope that, in the coming Statement next month, we will have an increase in government investment to make up the gap in business investment. I certainly hope that that will happen because it is necessary.

We are now poorer. We are now poorer than we were before the referendum took place. We are poorer because sterling has gone down and food prices have gone up. I would make the point, which the Prime Minister has made at some length, quite well in my view, that it is the people at the margin who are suffering.

So what do we do in these circumstances? I believe the right approach in these circumstances is to remain a member of the European Economic Area and,

if possible, rejoin the European Free Trade Association. That may not be possible—I fully understand that—but if we cannot do that, I would certainly want a bespoke agreement which is as similar as possible to the existing arrangement. Under the EFTA arrangements, we would have immediate clarity. If the Government said in their expected Green Paper that they would be pursuing a course of action whereby we would remain in the European Economic Area, that would give immediate clarity to all investment decisions. Immediately, people would say, “Well, there we are. We know where we stand. We can carry on investing”.

The advantage of that is that, first, under the EEA agreement, you can action Article 112, which allows you to deal with immigration if there are societal problems with it. That could quite easily be invoked. Secondly, the European Economic Area agreements do not involve the European Court of Justice. Therefore, both those elements of the Prime Minister’s red lines are met. Finally, carrying on as a member of the European Economic Area would relieve us of the frankly crushing burden of having to renegotiate all our trade and tariff barriers in the WTO. There are some 160 members of the WTO. As the noble Lord, Lord Davies of Stamford, said, it would take at least five to 10 years, if not longer, to renegotiate all that.

Those who advocate a hard Brexit say, “We should take the risk, the risk is worth it”, but I would argue that it is not we who are fairly well-off—some of us are extremely well-off; I do not include myself in that—who will bear the burden the burden of that risk; it is the poor, the people at the margins of society. As the Chancellor rightly said, they did not vote for Brexit to get poorer.

1.21 pm

Baroness Harding of Winscombe (Con): My Lords, it is a pleasure to speak in this debate. I thank my noble friend Lord Leigh for giving us all the opportunity to do so today. I also congratulate the noble Lord, Lord Gadhia, on his extremely moving maiden speech. He struck a perfect chord by saying that Britain is a trading nation first, last and always. It is interesting that all of us who have spoken in this debate have agreed with that—every one of us has started from a premise that free trade is a good thing. As the chief executive of TalkTalk and a businesswoman all my life, I know that that is true: that unfettered, open and competitive markets at home and abroad bring out the best in people. They bring out the best in businesses and, in turn, give the best possible outcomes to customers and citizens.

It is not just physical trade that is a good thing in this modern world; digital trade is hugely powerful, too, as many other noble Lords have mentioned. For this country in particular, digital free trade should be something that we are brilliant at. We are already brilliant at consuming products online, and the UK’s reputation for the protection of intellectual property and the fair rule of law means that a Chinese citizen looking at a website of an unknown British business is more likely to click “buy” than they would on a website from many other countries. So we should be brilliant at global free trade.

I want therefore to focus my remarks not on whether free trade is a good idea or a bad idea but on how we bring everyone in the country with us. I voted to remain in the EU, but, as a businesswoman, I cannot but hear the fury, frustration and disaffection of a significant number of people who feel that the modern, global, digital world that I have just described is not working for them. While many of my noble friends have spoken eloquently about how leaving the EU will be brilliant for global trade, many people who voted with them to leave the EU would disagree. We have all to work out how we make the global trading nation of Britain work for everyone in this country and take to heart that that is not the case now. I want to offer a few suggestions for business and for government on how we might make the case for free trade genuinely working for everyone.

First, we need to focus on building skills. If you do not have skills to take advantage of free trade, you are understandably scared of it. You are more likely to be convinced that an open economy means that your living standards will be threatened rather than seeing it as an opportunity. We need to make sure that we upskill our nation to be the global free trade bastion that we all want it to be. I hugely welcome this Government’s commitment to build basic digital skills across the whole country, but we know that we all need to invest in engineering and R&D skills, at every stage of people’s career. That is not just about government money; all of us who run businesses need to take this much more seriously.

Secondly, we need fair and competitive markets, not just open ones. Competition drives out bad behaviour, provided that consumers have choice, so we need strong, independent competition regulation in every market. That is how you do the best possible job of ensuring that everyone in society benefits from global free trade. We also need to tackle the issue of fair working practices in a modern, global world. I welcome the Government’s appointment of Matthew Taylor to run an independent review of modern working practices. As the world changes, we need to make sure that business genuinely works for everyone. I have been a strong advocate in this House of zero-hours contracts, but I would be the first to admit that they can be horrendously abused if they are not properly regulated. It is incumbent on those of us who operate in a modern economy to work through what the rights to sick pay and holiday pay of those working in the flexible, gig economy should be. The Matthew Taylor review could be a hugely important component in setting Britain up to be a brilliant trading nation in the future global economy.

Finally, businesses have a responsibility for this, too. It is not enough today to do a brilliant job for your customers and to make money for your shareholders. Successful Great British companies also need to make sure that they know what contribution they are making to their community and country as a whole. It will not be enough just to look after where you are already driving employment, in the local community where your factory or office might be based. Those in this House today who really believe that free trade will drive economic growth for the whole country—I believe that is all of us—need to make sure that that is

[BARONESS HARDING OF WINSOMBE]

genuinely true. My noble friend Lord Lupton spoke eloquently about making sure that we really understand and identify those people who are not benefiting. That is as true of business leaders as it is of politicians, otherwise the global free trade world that we would all like to part of will be pulled back because, rightly, some citizens will feel that they are being left behind.

In conclusion, although I campaigned to remain in the EU, I am an entrepreneur and a businesswoman. The secret to successful business is to accept the world that you are in and to move on, rather than to fight yesterday's battles. I am excited that Britain really can be a fabulous trading nation. As we exit the EU, I think that championing free trade at home and abroad that genuinely works for everyone is a prize that we can all agree we want to chase after.

1.27 pm

The Earl of Caithness (Con): My Lords, I am a committed free-trader, as are most of those who have spoken in this debate. The evidence is there for everybody to look at: since the end of the Cold War, the proportion of the world's population living on less than \$1.25 a day has dropped from 40% to 23%, and that is due to free trade. We should congratulate not only ourselves but the other free-traders in the world, such as America.

I pick up on what was said by my noble friend who spoke before me: there are major problems. When one looks at CETA, one asks what is stopping that free trade agreement. Ninety-eight per cent of the tariffs will be taken down; there will be annual savings of €500 million in duties. What is stopping that and why is free trade such an important issue in the American election? Why did Bernie Sanders, Clinton and Trump all highlight not free trade but protectionism? There is a worry. It reminded me a little of that old Scottish saying:

"Wha's like us? Gey few, and they're a' deid. If they're not deid, they're dying".

We are going down a route that is absolutely right, but we have to sell it. As my right honourable friend the Prime Minister said, there are those just managing in this country who do not like free trade. They do not see the benefits of it.

I want to take a slightly different road from that taken by my noble friend and look at what are the problems with free trade. Free trade agreements have become far too complicated. They include matters that are not trade. If we are trying to win the argument, let us get back to a trade agreement that does not include things such as patents.

The problem areas are many, but the real difficulty, as highlighted by the Walloons, is the investor state dispute settlement. It is quite wrong that big corporate bodies should be able to sue Governments, which puts them in a powerful position, equating to government, overriding local sovereign democracy and being able to influence Governments in a way in which they never did before. That is one of the main reasons that CETA is failing at the moment. The Walloons want a lot of protectionist measures which I do not approve of, but I sympathise with them on that point. It is not good.

It is also very noticeable in America—which is, or has been, our biggest ally in this area—that these ISDSs are growing in number and causing increasing problems for the Americans. That is why TTIP is not going to happen and why the TTP and NAFTA are under threat—because of the threat of corporate bodies. If corporate bodies want to take a risk overseas, they must take the risk, not the people.

There must therefore be more transparency in our free trade agreements. The EU is good on this; America is lousy and needs to change. One of the things Britain can do, through its diplomacy, is get the USA and others to be much more open about this. A free trade agreement needs tighter definition on rules of origin. Those are being abused, and if they are abused, it leads to resentment. There need to be more enforceable and substantive labour and environmental rights. We need to be able to protect those, while continuing free trade.

My noble friend Lord Bamford said that changes in currency are a bigger threat than tariffs. He is absolutely right. That was why Mr Trump wanted to shove on a 45% tariff against the Chinese, because they have manipulated their currency. Our currency has just fallen and that is distorting our free trade agreements. We need to look at that.

I end with a point for free trade: it does boost productivity. Since the 2008 crash, there has been a levelling off and down-turn in productivity. It is trade that builds that up. That leads to prosperity, that leads to a better feeling and that will lead to a happier community.

1.33 pm

Baroness Smith of Newnham (LD): My Lords, there has been considerable agreement this afternoon in that we all appear to support free trade. We lack the leader of the Official Opposition, Mr Corbyn, who perhaps does not agree with free trade in the same way. However, across your Lordships' House there seems to be some agreement and a sense that there are opportunities from global free trade.

These opportunities are not cut off by our membership of the European Union. We are already able to trade globally. A set of questions needs to be considered in the current period before we leave the European Union in the transitional period and looking forward, about what the UK's relations might look like after we leave.

During the referendum, it was entirely unclear what the leave campaign meant by "leaving the European Union". Did it mean leaving the single market? Did it mean leaving the customs union? There has been a bit of rewriting of history. In the last week I have heard Matthew Elliott and Douglas Carswell of Vote Leave saying, "It was always entirely clear, we have to leave the single market". It was not clear to me and I spent a lot of time listening to the leavers during the referendum.

There are real questions about where the UK is going and where we want to end up in trading relations with the EU. At the moment our trade with the EU is 44%. Some Ministers may feel that it is a price worth paying to walk away and trade simply on WTO terms, but have the Government undertaken any sort of review of the financial costs of increased tariffs?

Beyond that, the EU and the single market clearly offer far more than simply tariff-free trade. They allow us to get beyond non-tariff barriers to trade, to give a level playing field. That was precisely the reason why Margaret Thatcher pushed for it 30 years ago. To what extent have the Government begun to look at the implications for the UK if we walk away and then need access to the market, without being part of it? The EU is a rules-based system. If we seek to export to the European Union from the outside, we will still need to meet EU standards.

We have heard that somewhere between 6% and 11% of British companies currently export—a relatively small percentage. Some hard Brexiteers have suggested that we can take the opportunity of leaving the European Union to have a bonfire of red tape. But if some companies are going to export to the EU, they will still be bound by EU regulations. Are we going to have a two-tier system, where exporters have to abide by different rules for health and safety and environmental standards from those companies that do not export? Is that what the Government are thinking about? If not, are we going to leave the European Union and somehow create our own legal system? Or will we simply follow the European Union in its entirety but without any seat at the table? That would be true whether we were in the EEA, EFTA or entirely outside—we would have no say in those rules.

However, there are opportunities for trading now, for free trade and for expanding trade. We already trade significantly with the Commonwealth. We could do more. The old Commonwealth countries that have already suggested that they might be interested in free trade deals with us have relatively small economies, nothing like the size of the US or our European market.

There is one way in which the United Kingdom could demonstrate right now that it wants to go global—that it is open for business. That is in the area where I spend my time when I am not in your Lordships' House. I declare my interest as an academic at Cambridge. Higher education and education more generally are massive global exports. The United Kingdom has a considerable competitive advantage in this area yet it links to an issue that the Brexiteers were not comfortable with—immigration. Here, I thank the noble Lord, Lord Gadhia, for a fantastic maiden speech and note the points he made about immigration and the importance of people coming to this country. They may be teachers or academics, but they may also be students. Will the Minister take back to her colleagues in the Home Office—across departments—the importance of looking again at visa restrictions? At the moment, the UK does not look as if it is open to business for Indian and other students who would happily come here. If we are going to go global we need to show we are open. We need to look again at our visa regimes for students.

1.38 pm

Baroness Finn (Con): My Lords, I thank my noble friend Lord Leigh of Hurley for introducing this important and timely debate. It is an honour to lend my voice to the incredible array of expertise in the Chamber today. I also congratulate my noble friend Lord Gadhia on his excellent and moving maiden speech. I wholeheartedly agree with the sentiments he so powerfully expressed.

Navigating through the noise, post-referendum but pre-Article 50, I say that one point of clarity in a Mexican wave of uncertainty is that we do not yet know what our relationship with the EU will ultimately look like. This is, after all, a negotiation. However, I am clear that Brexit cannot and must not mean Britain turning in on itself, so that we shut ourselves off from the world. It is not in our history, it is not in our culture and it is not in our nature. Nor is it in our short-term or long-term economic interest.

As expressed so eloquently by the rather magnificent butterfly on the cover of the *Spectator* magazine on the eve of the referendum, Britain must go:

“Out and into the world”.

This goes for immigration, where the goal must be control, not arbitrary reduction. It goes for diplomacy and foreign policy, where a more engaged Britain is a necessity in these uncertain and volatile times. It must certainly go for trade as we look to sign agreements with developed nations and emerging markets alike—places on our doorstep starting with the EU and the fastest-growing nations in Asia, Africa and elsewhere.

This is not ideological, it is economic, and the benefits for Britain and the world are clear. We have heard today that free trade increases the purchasing power of our consumers, putting more pounds in the proverbial pocket, just as it helps our exporters and goods go further and deeper into global markets. It is quite simply about the age-old principle of comparative advantage. We can import goods from where they can be manufactured cheapest to reduce prices for consumers. But where we in the UK do it best, be it advanced manufacturing, financial services or bioscience, we can export our expertise and sell it on the global market. It really is win-win.

However, free trade can be more even than this. Done well, it can be the final, decisive arbiter in the war on poverty. The World Bank looked at 30 African countries between 1981 and 2000 and concluded that trade liberalisation had materially reduced poverty. So not only is it good for us, the fifth-largest economy in the world with the second-highest level of foreign direct investment, it is good for those countries that are still on the up. There are many who say that this world order I have described is nothing more than a pleasant fiction: that countries are not clamouring to sign trade deals with us, that it will take for ever and that politics will trump economics. I say again though that our trump card is Britain—our skills, our capability and, now, our leadership on the world stage.

Other nations are responding. We have already seen Australia and New Zealand speak out in favour of a deal with the UK. Indeed, those two long-standing allies have gone a stage further, and have offered to plug the gap in our Civil Service where trade expertise should be and to lend us their own experts. If that is not enough for the sceptics then what of South Korea, a country quick to express an interest? What even of the USA? My noble friend Lord Leigh has already cited senior figures in the Republican Party who believe a deal can be done. I would like to add my own experience to that, so that I am not just hearing what I want to hear. At a dinner that I attended a few months ago in Washington DC when I was an adviser to the

[BARONESS FINN]

then Trade Minister, the noble Lord, Lord Maude, we asked some former presidential US trade representatives from both parties whether it was true that the UK would need to go to the back of the queue. With one voice, they answered in the negative. They were quick to cut through the prevailing scepticism to say that a US-UK free trade deal could be done. So there is hope yet.

To those who worry about what it means for the state of Britain if we are really to leave the EU—myself included—I say that we must make sure that we get the best deal with the EU we possibly can, yes, but the best deal with the rest of world too. This will show that Britain is still open: open for business, open to immigration and ready to lead the world in getting global free trade back on track.

1.42 pm

Lord Popat (Con): My Lords, I, too, thank my noble friend Lord Leigh for initiating this important and timely debate and for his excellent opening remarks. It was also a pleasure to listen to my noble friend Lord Gadhia's excellent maiden speech. A Hindu and a Ugandan like me, my noble friend has extensive experience in international trade. I am sure that that experience will be a great asset in your Lordships' House and I look forward to many more contributions from him.

The truth is that, irrespective of how the nation voted on 23 June, we have needed a new approach to our trade policy for some time. Britain's economy has been skewed for a long time. Our current account deficit is unsustainable, we export far too little, our productivity is too low, we are overly reliant on both the City and consumer spending, our manufacturing base is too small and our house prices are too high. Irrespective of Brexit, these problems have been in place for some time.

We have become complacent, both in government and in the private sector. We have some firms that do a tremendous amount of work to export, but nowhere near enough. Too many businesses avoid the risks. When I was in business in the 1970s and 1980s, exporting was seen as a great point of pride for companies. Now it is just seen as a risk. We have to change that mindset.

Part of that work falls to government. Our Government should be more proactive. The Department for International Trade—previously UKTI—works on the basis that companies will come to it. This is fine if you already export, or if you are a FTSE 100 global company with vast resources, but it does not help SMEs. Indeed, it is the wrong way round. The department should be identifying opportunities—a road project in Tanzania, for example—putting them straight up on their website and emailing the link to every infrastructure company in the UK. A bit of proactivity could get us a long way.

Before I move away from government, I will make two additional comments. The first is that the previous Prime Minister committed to making our diplomatic service more business orientated: to appoint business leaders to high commissioner and ambassador posts and to increase the commercial knowledge of those

from a diplomatic background. Could the Minister give me an outline of what progress has been made in this area?

The final thing I will mention in relation to government—in this case, I have definitely saved the best for last—is UK Export Finance. For those who are not aware, UK Export Finance is the UK's export credit agency and directly supports the export of British goods and services. Its work is invaluable. I highly recommend that any company thinking about exporting should look at its work. This is a vital service and one that we must do a lot more to promote.

In the time I have remaining, I would like to talk about Africa, which my noble friend Lady Finn covered very well, and the opportunities available on that continent. I was very fortunate to be given my dream job earlier this year, acting as the Prime Minister's trade envoy to Rwanda and Uganda. Africa is home to a number of the fastest-growing economies in the world—exactly the type of markets we need British firms to be focusing on. Huge chunks of Africa are now prime markets for British firms. Yes, there are risks, but the rewards are also fantastic. With a developing middle class, 52 huge cities with populations of more than 1 million and some of the most innovative banking systems that I have seen, this is a continent that has come on leaps and bounds.

For too long Britain has seen Africa through the Band Aid lens and has missed its real potential. We have to change our mindset on Africa and on exporting. This is why we should focus more on trade and not aid. We should not have the situation, as we do in many African countries, of having dozens of DfID staff but no trade representatives—it is lunacy. Similarly, we cannot have an entire continent, especially one with the economic potential of Africa, constantly overlooked when it comes to visits by our Cabinet Ministers. These are little things, but they add up to our current exporting difficulties.

Our business leaders and the Government need to seize the opportunity that Brexit has offered to reset our path, to be more proactive in identifying and advertising opportunities, and to be less risk-averse and lazy. We have barely gone a day since the referendum without talk of free trade deals and of hard and soft Brexit, but this is a red herring. If we are not encouraging and supporting firms to export in the first place, additional tariffs are hardly a significant factor. I hope that we will see a new approach from this Government.

1.48 pm

Baroness Manzoor (Con): My Lords, I, too, take the opportunity to thank my noble friend Lord Leigh for securing this debate today and to congratulate my noble friend Lord Gadhia on his excellent maiden speech.

We have been members of the EU for the last 40 years, and it has played a hugely important role, whether in business, trade, science, technology, employment or human rights. But we must also not lose sight of the fact that EU countries now have some of the lowest economic growth rates in the world and some of the highest unemployment rates. Some EU

countries are precariously close to bankruptcy. These can hardly be considered hallmarks of a vibrant or successful economic model.

Despite this, like many in your Lordships' House, I supported the UK remaining a member of a reformed EU. But there is one simple and unavoidable fact: more than 1 million more people voted in the referendum to leave the EU than to stay. So that is what Britain must do. To do otherwise would be to defy the democratic will of the British people. Most people like me just want the Government to get on with it and remove the uncertainty that damages confidence in our businesses, deters investment in our economy and erodes public confidence.

Of course, we will need to negotiate new bilateral trade deals and non-tariff barriers. Nobody says that this will be easy, but is it achievable? Certainly I believe it is. Parliament must now unite to deliver what the British people have voted for. To do otherwise would be antidemocratic, illiberal and a dereliction of our duty. Indeed, on referendum night I was pleased to note that my noble friend—I hope he remains a friend—the noble Lord, Lord Ashdown of Norton-sub-Hamdon, said:

“I will forgive no-one who does not respect the sovereign voice of the British people once it has spoken. Whether it is a majority of 1% or 20%, when the British people have spoken, you do what they command. Either you believe in democracy or you don't”.

I believe in democracy.

Despite all the challenges and complexities, there are also great opportunities for our forward-thinking, tolerant and outward-looking, great country as a global trading nation. Successful trade negotiations, not just with the EU but with the wider global economy, are key to exploiting these opportunities. Yet some politicians are trying to force open any door to remain in the EU, and are talking down or belittling our country's outward and forward-thinking strategy. I am not one of them. It is in the interests of neither our economy nor our country at this crucial time in our history to do this. Independent countries can and do successfully trade with the EU single market without being a member of it.

If we are to compete on the global stage and remain a world leader among the developed economies, the Government must ensure that there is long-term investment in infrastructure, skills, science and innovation, as these are the key drivers of increased productivity and economic growth. I welcome the fact that a long-term industrial strategy is being developed, as this should help us identify how best to build our strengths, overcome our weaknesses and take full advantage of the opportunities that lie ahead.

During my recent visits to the Middle East, India, Azerbaijan, Pakistan and Turkey, I saw and heard at first hand how well respected the UK is in so many sectors. Some of these countries want to establish trade agreements with the UK as soon as possible. We are recognised as having a world-renowned higher education system and a world-class health service. We are one of the world's leading scientific nations, and our life science sector contributes around £60 billion to the economy each year. We are considered world experts in financial services, agriculture and digital

technology. We have much to be proud of and we offer fantastic opportunities for trade and investment.

However, to retain our global competitiveness we must remain a magnet for the best of international talent. I urge the Government to rethink and consider taking international students out of the migration targets because they could be our future ambassadors for trade across the world. We are travelling in a brave new world. We need to make our economy more agile in order to respond more quickly to new opportunities such as solar power, robotics or biotechnology and react more successfully to competitive threats such as the dumping of cheap steel.

Yes, there are significant and complex challenges ahead but we can be a great global trading nation. We have all the hallmarks of one.

1.54 pm

Lord Sterling of Plaistow (Con): First, I thank noble Lords for allowing me to speak rather belatedly. I thank my noble friend Lord Leigh for outlining the global situation. It may not be everybody's cup of tea but those are the facts. It goes without saying that my noble friend Lord Gadhia spoke not just emotionally but with huge experience and knowledge. I very much appreciated sitting behind him and listening to his speech.

I spent my working life in delivering international trade—driving international trade and tourism. The latter has not been talked about today. My company has operated for nearly 200 years in 110 countries. Everybody keeps talking about Brexit—a word I dislike intensely. I suggested recently to the Prime Minister that we should think of something different, because it is a toxic word. However, in practice, economic power and strength have been dominant in every country in the world that has ever made its name. That is what it is all about. If we do not retain and create further economic strength, everything means nothing. One cannot have hard power without economic strength.

People talk about protectionism. Does one honestly believe that the Germans, with their memory of the Weimar Republic, or America, given what happened in the 1920s and 1930s, want to go back to that form of protectionism? Never—because there is too much knowledge and experience around.

Big companies know their way around. In practice, we must remember that the SMEs and self-employed in this country comprise 58% of our workforce. They are the middle class and the real driving force. As time goes on, they will be key. It may not be widely realised, but those who get involved in exports usually achieve at least a 7% improvement in productivity. The day has to come, therefore, when the SMEs need and must have encouragement; this is one of the problems with the current uncertainty. Encouragement is key because we are dealing with people, not just institutions. When they get encouragement, there will be a moment, as happened in the 1980s, when they start to invest, including in R&D. That is when the country will start to move forward. We could do that in spades.

I ask the Minister to consider the following. One of the problems for SMEs is that the banking system does not help them—not deliberately, but it has not been created in a format that can help. Anyone who has worked with SMEs recently will know that the

[LORD STERLING OF PLAISTOW]

cost of money is horrendous for them, as against rates that are nearly zero for everybody else. I ask my noble friend to inquire about this, and for the Chancellor to consider, in advance of his Statement later this month, putting it right.

One can see that we are in a very strong position to take advantage of our leading technology in all areas. There is much talk of deals. Those of us in business are negotiating every day of the week. As Peter Lilley, who has been involved in major negotiations and trade talks, said only yesterday in the other place, one does not remember trade deals as history progresses. They are made out to be much more important than they really are. We are constantly talking about deals here and negotiations there, and what they will do to us. It does not matter.

I conclude by asking why entrepreneurs—there are many in this House; and I have been one all my life—here and elsewhere, who put their own money at stake, are not worried about the future. As far as they are concerned, there is a great future and in 10 years' time we will look back and realise that we made the right decision.

1.59 pm

Baroness Kramer (LD): My Lords, I join in welcoming the noble Lord, Lord Gadhia. I also echo what has been said around this Chamber that the welcome to immigrants is something that we need to keep living today and not just think of as a quaint achievement of the past. I am conscious that this debate is time-limited and we are well over the anticipated time for the beginning of the winding-up speeches, so I shall reconstruct what I had hoped to say—partly because so many people have said almost everything of importance—into a series of questions to the Government. I hope that the Government will feel that they have time to reply.

I come, as we know, from very much a free-trading party; that is one of the reasons why we backed Mrs Thatcher in developing the single market. That took the concept of removal of barriers even further, and I shall be astonishingly sad to lose it. Perhaps the Government can tell us what priority they give to non-tariff barriers. We hear constantly about tariffs but almost no comment on non-tariff barriers, until we talk with companies and discover that they are very often a larger part of the problem than the tariffs themselves.

Does the Minister agree with the noble Lord, Lord Bamford, who basically took the view that tariffs are simply something that we have to live with? Is that what our companies now need to expect? They are making decisions about their future and, if WTO tariffs are the future they are looking at, they need to know now so that they can make their adjustments. They may not all have the noble Lord's view towards living with tariffs on that kind of scale.

There has been a lot of talk about free trade. As I say, I am inherently a free trader and so is my party, but what is the Government's view on the general momentum across the globe on free trade? Many would say that the momentum has turned against free

trade. The pace of increase has slowed and now we hear a strong language of protectionism. The United States, probably the most protectionist country on the globe, now speaks a protectionist language. The trade deal with the Pacific looks likely to die on the vine and it looks like there will be very little progress on TTIP, and NAFTA is at risk. We hear Hillary Clinton—it is not just the Republicans but the Democrats—criticise free trade extensively.

Part of the issue is that free trade and globalisation are linked together in both the mind and experience of many people, and it is the rising of the people who feel they have been hurt by globalisation that is creating a very fundamental problem. If we are relying on a free trade mood and say that we will lead free trade and it is the only and essential route to saving our economy post Brexit, we need to know the Government's assessment of where the free trade movement is in countries today. I fear—some have said this, and I want to know whether the Government agree—that those most likely to enter trade agreements with us are relatively small countries such as New Zealand, Australia and Canada.

Also on that subject, I talk now with companies based in small Commonwealth countries—the Bahamas is one example. They are absolutely in a state of shock because their access to the EU market is, as I understand, through the agreements that we signed up to when we joined the European Union. They need to know that, if those agreements fall away and their access to that market disappears when we leave, whether that is being encompassed in the work that we are doing. As well as talking about them as free trade partners for us, it seems to me that we have to answer the question of where they will stand in their trading relationship with the European Union.

Does the Minister agree with Priti Patel that we should take the aid budget and use it largely to promote UK exports, or does she accept that, according to the 2002 Act, we are committed to using that DfID budget to support the poorest and the most vulnerable, not to promote ourselves? Those who want to go back and read the discussions around the creation of the 2002 Act will discover that that was a much-discussed issue. At that time, there was a real recognition of the importance of an approach to international aid that supported the poor but was not looking to create a benefit for us as an important part of its process.

I talked about the issues around tariff and non-tariff barriers. We are being told constantly that there can be no running commentary from the Government. I understand that, but the Government have been quite vocal in saying that they have agreed a deal with Nissan in order to immunise it completely from any negative effects of Brexit. Can we be told what the costs of that will be to the British taxpayer? It seems to me that, since that has been spoken of openly, it is not an issue that needs to be withheld in any kind of free trade discussions.

Will the Minister say what the Government will do with small businesses? I was on the Select Committee on small businesses and exports that was inspired by the noble Lord, Lord Popat. It was absolutely clear when we talked to small businesses that, first, exporting is difficult and, secondly, exporting to China is extremely

difficult—the phrase often used is “one sale only” because of the risk of loss of intellectual property. Exporting to South America and Latin America was extremely difficult because obtaining letters of credit to ensure that payment was received was near impossible for any small company and non-payment was a very primary problem. Exporting to the US was exceedingly difficult because of its protectionist rules—most small businesses have to link up with and find a joint-venture partner in the United States, which then takes most of the upside of the revenues and profits that are generated. Perhaps the Minister can tell us much more.

Does the Minister accept that the structure of businesses in the UK is very different from that in many other countries? We have a few large major international exporters. I forget which noble Lord made the point that many of those do not necessarily export because they have an overseas base from which to sell into various markets. Many of our small businesses export and we want more of them to do so. That is a very different profile from somewhere like Germany, where most of the exporters are at the large end of medium-sized enterprises, or are large companies, that can overcome the various obstacles that have been described.

Lastly, will the Minister talk about the hiatus period that potentially will follow actual Brexit? Where do we stand with the WTO? It has been said that we retain our membership, but I understand that the effectiveness of that membership—the ability to make use of it—depends on our schedules being approved by 163 countries. That is a matter of fact, not opinion, and I hope that the Minister will clarify it.

Others have said that, if we do not have a deal, we can continue trading with the European Union just as we do today. I understand that, under European law, it would be a criminal offence for a company within the European Union to trade with a company in the UK on current terms unless an actual trade deal was in place. That again is a matter of fact, not opinion, and I wonder whether the Minister will clarify that, as well as tell us as much as she can beyond simply the words, “Brexit is Brexit”.

2.07 pm

Lord Mendelsohn (Lab): My Lords, I thank the noble Lord, Lord Leigh, and congratulate him on securing this debate, which has been very interesting. As ever, the noble Lord demonstrated his great commitment to this House with a very interesting exposition of his views. One illustration of the way in which the debate has changed matters is that, during the course of this debate, Belgium has backed the trade deal with Canada. Many things change quite slowly in life, but it seems that in the world of international trade things that might have taken years change very quickly. Perhaps it is the power of the conversation in this House.

I also congratulate the noble Lord, Lord Gadhia, on his maiden speech, which was a truly excellent speech. I was most impressed as he read out his list of mentors and sponsors. It started to appear that it was a new board of directors of a company. One could be mistaken for taking such a view, given his distinguished

career—he is now with the great behemoth, the Blackstone Group. We look forward to his contributions in this House and wish him much enjoyment and strength here.

It is also a pleasure to have the noble Baroness, Lady Mobarik, here for the first time, I believe, in her role in the department—

Baroness Mobarik (Con): It is my second time here, but the first time in a debate.

Lord Mendelsohn: This is her first time speaking in a debate. The noble Baroness is very well-known. She performed hugely effectively as the president of the Scottish CBI and is well-known as a champion of SMEs and family businesses. We wish her well in responding to the debate.

It has been a very useful and broad debate. We have had a number of very interesting contributions—started by the noble Lord, Lord Leigh, but there were others such as the noble Baroness, Lady Finn—that showed great enthusiasm for our prospects. Those were sensibly tempered by the wise words of my noble friends Lord Haskel, Lord Davies and Lord Hunt, who have raised a number of the issues that we have to demonstrate. The noble Lord, Lord Livingston, also made a very important point about how difficult it is to export and how difficult some of these issues really are.

The noble Lord, Lord Horam, made a very good point about the fact that there can be losers in free trade, which is important for us to recognise. I also want to associate myself with a number of questions that the noble Baroness, Lady Kramer, made in an outstanding summary speech. They are questions on which we are looking for the Government to give as much guidance as they can in the weeks ahead.

There is a new department in town. We on these Benches welcome the elevation of international trade to departmental level. It reaffirms our commitment to ensuring that Britain is seen as a great place to do business and that British products and services continue to be considered of world standard; this must be not just a means to usher in a new deregulatory agenda that is not so much about free trade as about rolling back standards on rights and protections. The department really needs to make sure that it adds power to trade promotion and works properly for the interests of SMEs as well as big business.

So the question at this stage is: what has the department been busy doing? Well, a tweet from the Department for International Trade requesting British jams has caused a major stir on social media. The department tweeted:

“France needs high quality, innovative British jams & marmalades #EXportingisGREAT #ExportOpps”.

It is linked to an advert saying:

“A fine food representative/agent, with good connections to gourmet distribution and fine food retailers on a national level, is looking for British food & drink brands which offer innovative and high quality jams/marmalades”.

It seems, however, that a few people did not take the appeal entirely seriously, with some suggesting it was straight out of “The Thick of It”, and others questioning whether the account was supposed to be a parody. I will read out some of the tweets and responses. One said:

[LORD MENDELSON]

"Tell me more about these innovative jams. Are they wi-fi enabled? Future-proof? Self-spreading? What's the future of jam?"

Another said:

"You do realise you're a government department, don't you? This is international trade, not an episode of *Bake Off*".

I have some sympathy for the Government, whose overriding strategy has been defined by the result of a referendum that they neither wanted nor planned for—a referendum that was a rejection of the real and an affirmation of an aspiration. The Government will be respected for their desire to be honest on the size of the challenge and the breadth of the changes needed. They will set themselves up for failure if they do not.

Some will say that Brexit helps us focus on the world beyond Europe, as if this was a sudden or new revelation. The European Commission's trade and investment strategy, written in 2015—in which we played a significant role—is explicit in saying that 90% of future global growth will take place outside Europe's borders and a variety of tools will be needed to ensure that Europe continues to thrive. Indeed, it is not just about commerce but also the values that we ascribe to commercial activity: human rights, sustainable development, anti-corruption, high-quality regulation and effective investment in public services. While we may not have even triggered the first steps in leaving, let alone defined our trade relationship, it does seem obvious that Europe is likely to be our most important ally in what even its most ardent detractors describe as the UK returning to leadership in free trade, competition and property rights.

We are where we are, and I hope that the Government will not mind some constructive thoughts and reasonable questions. There is only one thing more painful than learning from experience, and that is not learning from experience.

First, we have to address some of the weaknesses in our trade performance. Published data show that the UK ranks almost at the bottom of OECD countries when it comes to export growth since 2010. In dollar value, in 2015—pre-Brexit—we were the fourth biggest exporter. I think that we are two places lower now, but irrespective of that we need to do more than just recover our position; we need to excel.

Our export growth depends on a variety of factors. One of the most significant is whether the markets we are looking to export to need the goods and services that we are offering. The markets in developing and fast-developing nations have a demand for raw materials and capital goods, which are not our strongest point. They will be harder to create significant trade with, and we must focus very carefully on where we prioritise.

But it is not just about the UK's performance. Since the late 1990s, the UK and the G7 have been in decline, as competition from emerging markets has increased. Our performance, however, has not been as good as countries such as Sweden, the Netherlands and Austria, and a very few, such as Germany, have increased their share. We have to raise the number of exporters and exporting businesses. I think that the Government had a target of moving from 188,000 in 2010 to 288,000 by 2020. But actually we need to reach around half a million to have any possibility of increasing our capacity.

I would like to know whether the Government have a new strategy for developing trade, and whether the Minister can give us some idea of it. In particular, we need a real sense of what we are going to do about our performance on goods. The UK is, I think, the 10th largest, by dollar value, exporter of goods. Naturally, China, America, Germany, Japan and France are there; we are, I believe, behind Italy, the Netherlands, Hong Kong and South Korea.

The size of the manufacturing sector has declined, but we have a couple of lagging problems. For example, UK manufacturers import 60% of the final value of their production from overseas, which makes it very difficult for us to get the full value of the drop in sterling. In the US, 30% of the final value is from imports. In addition, UK manufacturers have contracted out their offshore manufacturing rather than buying or building factories. Between 2010 and 2014, German companies invested in 165 manufacturing and 54 logistics projects a year compared to the UK's 29 and 10 respectively. For an effective trade strategy, we will need to support overseas investment and have more effective targeting of FDI. FDI has changed: net outflows exceed net inflows, and therefore too much of just asset purchasing is insufficient to help us.

We need to plan for how we can continue our world-class performance in services. We are the number-two global exporter, with China, Germany and Malaysia hot on our tail. To remain world-class, we will need to overcome some of the issues around the fact that a lot of our services are dependent on our expertise in Europe, and the problems of finding new markets. It is important that the Government devise a strategy for that.

The country has chosen a new and difficult challenge for us, which will require all our skill—and our agreement that our past differences should be set aside for the sake of our future. We cannot take our future success for granted. I am in business and I have learned that opportunity is usually disguised as hard work, so most people do not recognise it, and I am a strong believer that hard work beats talent when talent does not work hard. We have to be prepared to work hard, to make this situation work and at times to get it wrong—mistakes are proof that you are trying. But I caution the Government that, without direction, their mistake could be that they do not show that they are serious about trying.

2.17 pm

Baroness Mobarik: My Lords, I am pleased to wind up for the Government in this debate. It is the first time I have done so for this department, as the noble Lord, Lord Mendelsohn, mentioned, and I thank him for his kind words of welcome.

First, I would like to say just how enjoyable I have found this debate. I thank my noble friend Lord Leigh for initiating it. The views that I have heard and the number of speakers at this debate have certainly emphasised the importance that noble Lords place on trade. I also congratulate my noble friend Lord Gadhia on making his inspiring and most moving maiden speech here today, and look forward to hearing more of his contributions. He was right to emphasise the benefits of free trade, as have many others during this debate.

Leaving the EU offers us an opportunity to forge a new role for ourselves in the world: to negotiate our own free trade agreements and to be a positive and powerful force for free trade. I thank noble Lords for their input in this debate, and will now address the points that have been raised.

As the Prime Minister has said, the UK will strike a unique agreement that gets the best deal for people at home and the right deal for Britain abroad. It is possible to be in a customs union and still strike trade deals. We will consider all options available to us. As we develop that position we will consider all the options, bearing in mind the issues that we have discussed here today: the need to regain more control of the numbers of people who come here from Europe, while allowing British companies to trade with the single market in goods and services. We recognise the need for a smooth transition which minimises disruption to our trading relationships, including those with developing countries. The Government have been engaging widely since the referendum and my noble friend Lord Price has met with more than 20 Trade Ministers, both inside and outside the EU. Everyone is keen to ensure a smooth transition for the UK.

Although we will work to avoid short-term disruption, there is one important change that we must make in the longer term: we need to change the terms of the debate around trade. As we leave the EU, we have an opportunity to be a global champion for free trade. We will develop our trading links and create opportunities for UK businesses across the world, including in developing nations. Trade with the UK will be a force for good. We will work with our missions overseas to promote the UK as a trading partner and a place to do business. We will drive inward investment and we will support our businesses and exporters. In time, we will also negotiate free trade agreements that will lower barriers to trade and create vital opportunities for UK businesses.

The UK is a full and founding member of the WTO. We are currently represented by the EU at the WTO—as my noble friend Lord Leigh notes, we are already a member. As my noble friend Lord Patten has said, the WTO director-general, Roberto Azevedo, said only yesterday:

“The UK is a member of the WTO today, it will continue to be a member tomorrow. There will be no discontinuity in membership”.

When we establish the UK’s position at the WTO as a post-EU member we will need to separate out our schedules of commitments, which are currently integrated into the schedule for the EU as a whole. We will do this in a way that causes the least disruption possible to our trading partners. In response to the noble Lord, Lord Haskel, while the simplest option would be to replicate the EU’s existing tariffs, we cannot set out our approach at this stage.

To deliver all this, the Government have been building our capability rapidly. The trade policy team has more than doubled in size since the referendum. We are looking at models from around the world to inform our resourcing requirements and the most effective way for us to pursue trade negotiations. The overseas visits that DfIT Ministers have been carrying out over recent months have given us great insight into the way

that other countries structure their trade departments. We are ensuring that we have the expertise to deal with specific sectors, as well as the right in-country knowledge, to prepare us fully for the time when we will need trade negotiators. Over time, we will be putting trade negotiators in place. My noble friend Lord Patten raised the need for external help in our negotiations; we have already had more than 800 expressions of interest from external parties, which we will consider carefully. My noble friend Lord Popat mentioned appointing those with a business background to overseas posts and I thank him for raising this important point—the business ambassador network of key business and academic leaders acts as a powerful advocate of the UK abroad.

It is important to remember that UK companies are still exporting and doing deals abroad. The Department for International Trade is continuing to support them with advice, marketing support, trade missions, expertise on foreign markets, and more. Britain will continue to press for an ambitious EU trade agenda, including forging ambitious free trade agreements with major trading partners. We will continue to participate fully in these discussions for as long as we are members of the EU. In response to the noble Lord, Lord Davies, on his point that the UK is walking away from existing EU deals, the Department for International Trade is looking at a range of options for the transitional adoption of EU deals. The UK remains committed to pursuing free trade and continued access to existing EU free trade agreements. So this may be an option we wish to pursue—it would be assessed on a case-by-case basis.

However, as we leave the EU, we will also forge our own new trade deals. The UK is keen to seize the opportunities that leaving the EU presents, as are many of our international partners who recognise the attractiveness of doing business with the UK. We will have discussions with countries on the potential for future free trade agreements. There are limits in terms of concluding deals while we remain a member of the EU, however, and we recognise those constraints. The Government will be holding discussions and making progress in the period before we leave the EU. The noble Lord, Lord Razzall, asked how long it would take to negotiate trade deals with different countries. Trade agreements vary in shape, scope and form and, therefore, there is no average timeframe for a deal. For example, the Trans-Pacific Partnership Agreement—TPP—took eight years, but the US-Jordan FTA negotiations took only four months. The process is complex and it would be wrong to set out timelines before entering into negotiations. We want to get the best deal for Britain. We have already received positive signals from a number of other countries and the Government have already announced the establishment of a bilateral trade working group with Australia and a bilateral trade policy dialogue with New Zealand. In addition to this activity, the leaders of countries including Mexico, South Korea and Singapore have said that they would welcome talks on removing the barriers to trade between our countries.

As many noble Lords have recognised, one of the advantages of leaving the EU is the greater flexibility it offers us to trade more freely with the rest of the world. My noble friend Lord Flight spoke of the

[BARONESS MOBARIK]

importance of increasing trade with the Commonwealth, an issue on which I too have spoken before. Shared systems and language mean that the cost of trade between Commonwealth countries is already estimated to be 19% lower than that with non-Commonwealth countries. There are enormous opportunities for increasing trade with the Commonwealth, which is a priority for the UK. We are committed to helping the Commonwealth unlock its vast potential in this area.

We also want to promote free trade by making sure that our regulatory environment helps businesses and workers. We are committed to reducing regulatory barriers to trade and will continue to give our strong support for further WTO action to reduce and eradicate non-tariff barriers. With a reduction in tariffs in many advanced economies, tackling non-tariff barriers is increasingly important. We will work with trade partners to minimise the regulatory burden placed on exporters, where appropriate, by developing mutual recognition agreements and economic partnership agreements. We will also work within the WTO to build on its successful work in taking an axe to red tape across borders, phasing out distortive export subsidies, and scrapping tariffs. My noble friend Lord Caithness mentioned investor state dispute settlement; the UK has a great record of creating the right environment for investors and treating them fairly. We have more than 90 such agreements in place with other countries and there has never been a successful investor state dispute settlement claim brought against the UK, nor has the threat of claims affected the Government's legislative programme. But many UK investors overseas who have suffered discrimination, expropriation and lack of due legal process have relied on investor state dispute settlements.

Noble Lords will be aware that the Government are developing an industrial strategy that will put the United Kingdom in a strong position for the long-term future. This strategy will focus on improving productivity and rewarding hard-working people with higher wages. It will focus on creating more opportunities for young people and will ensure the benefits of growth are shared across cities and regions up and down the country. As my noble friends Lord Tugendhat and Lord Lupton highlighted, the industrial strategy must ensure that the economy delivers for all and not just the privileged few. The strategy will support and encourage companies to trade internationally, and create a business environment that will attract overseas investors to locate here for the long term. On top of all this, the strategy will identify and maximise the opportunities that we have from exiting the European Union, which we have discussed in such depth today.

The noble Lord, Lord Shipley, asked how we promote exports locally and whether the Department for International Trade is reducing funding to regions. The department supports all areas of the country. Support to the north and the Midlands has been up-weighted because overall economic indicators of prosperity are lower for those areas than for London and the south. Department for International Trade support continues to be available from international trade advisers in all English regions. This support is more sharply focused than ever on new exporters.

In response to the point made by the noble Lord, Lord Sterling, may I say that increasing opportunities is hugely important for SMEs. Small businesses account for more than 99% of private businesses in the UK, employ more than 15 million people, and generate nearly half of all private sector turnover. They play a vital role in the economy and in global trade. The Government will continue to support them, from working to reduce tariffs that hinder exports, to making sure that 95% of UK premises will have superfast broadband by 2017.

Another important question we must continue to consider as we leave the EU is how we can support developing countries. Countries to which we are providing aid today will be the markets that we can trade with tomorrow. The UK remains committed to ensuring that developing countries can reduce poverty through trading opportunities. Trade is an effective way of driving economic growth, and of helping to raise incomes and create jobs.

In answer to the question asked by my noble friend Lord Farmer about the role of DfID in terms of free trade with poorer countries, I can say that the UK's aid programmes are tackling the domestic constraints in developing countries, reducing the costs of trade, integrating firms in poor countries into global value chains and improving the investment climate. DfID is committed to ensuring value for money and maximising the impact of UK aid on poorer people's lives.

I thank noble Lords for their contributions over the course of this debate. Many valid points have been raised—for example, on international students' ability to come to the UK; I think it was the noble Baroness, Lady Smith, who raised that point. I shall take those comments back to raise with the relevant departments and get back to her.

Noble Lords' expertise will be invaluable to the Government on this most important of issues. I am sure that there will be many further opportunities to debate the subject of leaving the EU, and the trade opportunities which that brings to the UK. And I am sure that the House will continue to play an invaluable role in informing the Government on these issues.

2.32 pm

Lord Leigh of Hurley: My Lords, I thank the Minister for her comments, and for allowing this debate to take place. As she said, over the past three hours we have had a variety of contributions from people with an extraordinary amount of knowledge. We also welcomed a maiden speech from the noble Lord, Lord Gadhia—who I would advise not to get used to the outpouring of affection and love, or expect it every time he speaks. None the less, it was well deserved.

It is difficult to draw any conclusions of unanimity, although I will try to keep to the description of me by the noble Lord, Lord Mendelsohn, as "enthusiastic". The first theme to come through was that we are all keen to see more free trade, and we need to find ways to ensure that it happens. Secondly, we are all aware of the huge uncertainty, which we all counsel the Government can be damaging to business. However, many businesses quite relish uncertainty and, as the noble Lord, Lord Farmer, said, they are used to it.

One worrying phrase I heard was that “politics trumps economics”. I do not know whether that is necessarily true; I hope it is not. It was reassuring to hear that in the privacy of certain conversations some politicians recognise that free trade is vital to this country, so perhaps I am not entirely living in the land of wishful thinking.

The current situation is not perfect, despite the fact that many people said that we might be losing something wonderful. As my noble friend Lord Bamford pointed out, there are imperfections. The Motion before us in this take-note debate mentions “opportunities”. One can only hope that we end up with a trading arrangement that allows all citizens of this country to benefit—and, more importantly, allows people from other parts of the world who are currently prohibited, or inhibited, from trading with us on effective terms, to do so.

Motion agreed.

Social Mobility

Motion to Take Note

2.35 pm

Moved by Lord Holmes of Richmond

To move that this House takes note of Her Majesty's Government's plans to promote social mobility.

Lord Holmes of Richmond (Con): My Lords, it is a privilege and a pleasure to open this debate on social mobility. Despite the subject of the previous debate, I contend that there is no more significant subject than social mobility, not just at this time but at any time. As is usual when starting a debate, I declare my interests as set out in the register. I am very much looking forward to the contributions of all noble Lords from across the House—not least the maiden speech of the noble Baroness, Lady Couttie, who is incredibly welcome today.

I am pleased to be able to call the noble Baroness my noble friend. Before joining your Lordships' House she had an extremely successful career in the City before joining Westminster City Council, becoming its extremely creative and wise leader. Words close to her heart are, “Local people know best”. Hear, hear. I am sure that we shall hear many wise contributions from her, not only in her maiden speech today but on many subsequent occasions—not least as your Lordships' House falls within her manor.

I shall read a quotation:

“where every single person has the opportunity regardless of background or that of their parents to have the chance to achieve whatever they want”.

Those words were spoken by the Prime Minister in Birmingham at the Conservative conference last month. They are important words for anybody occupying the role at No. 10, but they are equally important for all of us if we are to ensure that everybody, whatever their background, their geography or their socioeconomic status may be, has the opportunity to succeed in modern Britain. If we cannot all put our hands on our hearts and say that everybody has that opportunity in Britain today—to rise, to achieve, to get out from

under—what is the purpose of politics? How can we suggest that Britain is a civilised modern 21st-century democracy?

Many subjects will be covered this afternoon—early years, education, employment, housing and health, not least mental health. Those are some of the key enablers of social mobility. Even more significantly, what are the key characteristics, the underpinnings, that must be in place? They are stability, security, self-belief, self-worth, self-discipline, approach and attitude. All those and more are what enable that most powerful of forces, social mobility, to flourish right across the nation.

I shall focus my opening remarks on school and sport, digital and diversity, apprenticeships and aspiration, character and collaboration. It is pleasing to see that the schools budget has been protected: it has risen by 3% on 2014-15 and will be some £40 billion next year. What everybody should seek is quality aspirational education for all—and within that not just academic work, but those elements of the curriculum that inspire, and touch our souls and hearts: sport, music, debate, drama, literature, dance and more.

I have a specific question for my noble friend the Minister on the proposed sugar tax. How will this be deployed to ensure that sporting opportunities are increased right across the sporting life of our young people, not least to put right the appalling decimation of school sport that happened post-2010, and in the current environment to bolster the excellent sports strategy set out by my honourable friend Tracey Crouch last year? Similarly, how will we ensure that character education is such an integral part of people's learning? Of course, it goes without saying that literacy and numeracy are important, but in an increasingly complex and fractured labour market, resilience, grit, determination and respect will get people through—all the stuff which I know from first-hand experience, and which is set out in the character education programme. Therefore, what are the new Government's plans to champion character education? When I attended the character education awards earlier this year, I saw at first hand what tremendous work was being done in this area.

Surveys demonstrate that where people have the opportunity to engage in sport, their numeracy can rise by up to 29%, with similar increases in behaviours. This cannot be underestimated. It is not just about social mobility, although of course that is in the mix. If we can turn inactivity into activity—this goes wider than sport and encompasses recreation, leisure, young people getting involved in sport, games and having fun—it will not just positively impact social mobility, but there will be a boon for the economy of potentially £53.3 billion.

An example of this to which I have referred in earlier debates is the Hackney Boxing Academy. Its trained staff mentor groups of six young people and work on numeracy, behaviour and skills learned through the sport of boxing. You could barely put it in starker terms than one of the graduates of this programme, Dylan, who said, “As a result of being involved in this programme, I am a completely different person”. What more could one say about social mobility?

[LORD HOLMES OF RICHMOND]

We also need effective careers advice to enable people to even know about some of the jobs available, never mind be able to aspire to them. I was lucky enough to be a member of the Lords Select Committee on Social Mobility that reported earlier this year. We found that the provision of careers services for young people was at best patchy. This needs to start not in the sixth form or in secondary education but right from the first moment that someone steps into the classroom. They need to be exposed to opportunities and possibilities. When I was young I did not have a clue about the full range of jobs and opportunities that existed.

Role models are incredibly important. Working parents are obviously the most significant role model but also people from different backgrounds going into schools and talking to pupils. The Primary Futures programme is an excellent initiative of the National Association of Head Teachers whereby people from different walks of life go into schools and talk to young people. They do not wait until the young people enter secondary education but talk to them when they are in primary schools to spark young minds to think, “I could do that. What do I have to get in place to achieve that?”.

In Birmingham last month, my right honourable friend the Secretary of State for Education announced opportunity areas to drive social mobility. Six have already been identified. Will my noble friend say when the next four will be released? What further information can he give the House on these opportunity areas? How exactly will they work to drive social mobility?

As I mentioned at the outset, collaboration is incredibly important. It is difficult enough to drive cross-Whitehall working but it is essential to collaborate with local authorities. If, for example, local authorities shared their data with schools, given the data that local authorities have, children could be auto-enrolled into free school meals and the pupil premium, thereby cutting out bureaucracy and any potential for those pupils to fall through the cracks in terms of opportunities.

What of life post-school? It seems extraordinary to me that in 21st-century Britain there is still such a disparity of esteem between higher education and other potential routes post-school. I believe that many people go to university who, with the benefit of better advice and greater foresight, could have chosen another route which might have afforded them greater opportunity and social mobility. Perhaps we should consider ending the national curriculum when pupils reach 14, and treat the years between the ages of 14 and 19 as a period of potential transition. At this point I give more than a positive nod towards my noble friend Lord Baker and all the work that he did on university technical colleges. That vocational opportunity is for many people not just a route but the right route that will deliver them a better life, better opportunities and, potentially, more income—not that that is a fundamental point.

We have heard much about apprenticeships. I fully support the ambition to have 3 million apprenticeships by 2020. That is not easy to achieve and there has been a lot of concern around maintaining the quality of those 3 million apprenticeships. I was delighted to see the announcement earlier this year on the appointment

of a regulator to set standards and ensure that an apprenticeship does what it says on the tin. We and young people need to be assured that an apprenticeship is a badge of quality and that, if they put in the time to achieve an apprenticeship, it has real value. Will my noble friend tell us more about how the role of the regulator is unfolding? Some 2.3% of new entrants to the public service will be apprentices. This is a brilliant boon for young people but will also enable the public sector to truly benefit from what apprentices can bring to it. Payments for firms with fewer than 50 employees enable them to offer apprenticeships right across their operations. This is what 3 million apprenticeships can offer. However, none of us should doubt that to deliver that day in and day out through to 2020 is no easy task.

Probably the biggest threat and biggest opportunity facing our country is the digital revolution. It is already well under way and will make the Industrial Revolution look like a children's tea party. The Industrial Revolution took place over more than 100 years but the digital revolution is happening sometimes in weeks. Why does this matter to social mobility? It matters because potentially 35% of existing jobs are in danger of being automated. Many of these jobs were previously guarantors of social mobility. What does this mean for people's ability to climb up the social ranks? By the same token, 1.1 million new jobs in the digital economy need to be filled before the end of this decade. The report of the Select Committee on Digital Skills, *Make or Break*, which was published the year before last, recommended that in schools and through life digital literacy needs to be considered as important as literacy and numeracy. It is that significant if everybody is to be able to benefit from digital opportunities. Alongside that, superfast broadband needs to be available to all and everybody needs to be online. That is not just something that is nice to have; the internet and superfast broadband should be viewed as being as important as a utility because so much will depend on people's digital skills and their ability to transact and interact online. When you look at the 7 million people currently offline, you see that lower socioeconomic groups and disabled people are highly overrepresented in that offline community. Talking of inclusion, I point out that 4,000 young people received an A-level qualification in computer studies in 2014 but that fewer than 100 were girls. If we are to ensure that everyone has the chance to benefit from digital opportunities, we need to ensure that they are fully inclusive for all.

I turn now to volunteering. I thank all the organisations that have sent in briefings across the various areas of interest in this debate. Volunteering can have such an important role when it comes to improving people's opportunities to get on in life. Look at the debate earlier this week on Second Reading of the National Citizen Service Bill; I fully supported that initiative. Some 200,000 people have already benefited from it; more than seven out of 10 say that they believe that their involvement in the scheme has made them more confident in terms of gaining employment. It is significant, it is unique and it will have a profound effect on volunteering in this nation.

It is also crucial to recognise all the other organisations that do great stuff in this area, not least the Duke of Edinburgh's Award, for which I am lucky enough to

be an ambassador. It is chaired by my noble friend Lord Kirkham. If you were to look up “social mobility” in the *Oxford English Dictionary*, and it said “the life of Lord Kirkham”, you could get few better definitions.

In sum, we need to focus on early years education, employment, aspiration, attitudes, formal education, everything that happens outside the classroom, volunteering, and opening up every opportunity. All of us across the country need to think about what we can do as individuals to try to increase people’s ability to get on in life. Essentially, the fundamental truth remains the same: talent is everywhere; opportunity is not. Our business this afternoon is social mobility; our business all days needs to be social mobility—how to ensure that we are doing everything we can to enable everybody to achieve their potential in whatever field that might be. That could truly enable Britain to say, “We are on the right path”. That could truly enable Britain to be a fundamentally better place: open, with opportunity for all. I beg to move.

2.53 pm

Baroness Morris of Yardley (Lab): My Lords, I thank the noble Lord, Lord Holmes, for introducing this debate. I had the pleasure of serving with him on the Lords Select Committee on Social Mobility. I know of his passionate interest in this subject, and I congratulate him on the way that he has introduced it. He has given us an insight into the extent of this problem and its importance. I also add my welcome to his for the noble Baroness, Lady Coultie, and say that I look forward to her maiden speech and wish her well during her time in the House.

To some extent, social mobility is a challenge of our time. Perhaps for the first time, there is political agreement across the spectrum that it needs to be addressed and we need to do better than we have done in the past. In truth, whatever we think about our country, whatever our achievements, and however proud we are of what we do, the fact that our social mobility record does not compare well with our competitors overshadows those achievements and makes us not the sort of country that we would want to live in. That underpins our need and desire to try to improve in this area.

As the noble Lord, Lord Holmes, said, social mobility covers a wide area of issues. In the time that I have available, I am mainly going to concentrate on one, but I just wanted to acknowledge two other areas before I move on to that. First, we very often see social mobility as an issue for education and an issue about youth. It is not: we should live in a country where adults have the opportunity to be socially mobile as well, even if they did not have the opportunities during their youth. That falls to the area of skills and reskilling and giving people opportunities throughout their lives to achieve their potential and do as well as they can. Secondly, I am conscious that many children and young people achieve grades but find that they do not have the opportunities available to others because of their backgrounds. I acknowledge that that is a problem: it is about a change in culture throughout society, not just about what we can do in this House and through legislation.

I turn to my main area of concentration: those children who do not achieve in school and therefore do not experience the problem of having the grades but not getting the opportunities after that. If you look at the policies of both political parties for the last 20 years, you cannot say that there have not been attempts through the school system to try to increase and improve social mobility. Every policy that is launched now is introduced in the name of social mobility—in the name of giving those left behind a better chance and of closing the attainment gap. So it should be: that is a challenge that falls to education in schools. I acknowledge that success: today in schools throughout this country, there are young people who have been given opportunities through the school system, who are socially mobile and who will go to university and have the skills and opportunity to achieve what they want to achieve.

However, we are at risk of assuming that schools can solve the problem by themselves. I worry that, in answer to the question “What should we do about social mobility?”, too many people say, “We have to improve schools”. I know that we have to improve schools and that a failure to close the attainment gap in schools is a failure of the school system. I do not shy away from that, but I know that schools do not cause the problem in the first place. We should not shy away from that either. They are asked to address and remedy an endemic problem in our society: what they inherit with children at the age of five is a difference in attainment that is clear from the age of 18 months. Look at those geographical areas that underperform at GCSE and A-level, that we bemoan do not get as many children to university as we would like. When you look at what we call school readiness in that area, you find that that is low as well. We know that standards in schools are low in the north-east, but guess where school readiness is also low: in the north-east. We know that achievement is good in London boroughs, and—guess what—when you look at school readiness measures, they are actually far better in London than in other parts of the country. Let us be clear what we mean by school readiness. It is to be able to listen, to speak, to pay attention, to handle objects, to move confidently, to have self-confidence, and to have social skills. It is those basics that any person needs if they are to stand a chance of doing well throughout life and throughout school.

We know a lot about that group that does not have school readiness. We know that those children are more likely to be poor and more likely to come from families that have ill-health and low skills—not all lazy and dependent on benefits. We know that by the age of five, they will know fewer words than people from middle-class families; that their social and physical skills will be less developed; that their mothers are less likely to have attended antenatal classes; and that their parents are less likely to have accessed what we might call enrichment activities between the child’s age of nought and five. The Government have to ask themselves whether they are doing enough to address the needs of this age group. In truth, all Governments have a tendency to put their efforts, emphasis, money and resources on schools. As somebody who is passionate about schools—and I spent my ministerial time

[BARONESS MORRIS OF YARDLEY]

concentrating on schools—I am not inviting the Minister to stop focusing on schools. However, I invite him to consider that the way in which he could most help schools to close the attainment gap is to do more for the age of nought to five.

When I look at what the Government are doing on this, I acknowledge that they have put more money into childcare; I acknowledge the pupil premium, which was part of the coalition. However, the Commission on Social Mobility and Poverty says that the efforts to improve the school readiness of the poorest children are unco-ordinated, confused and patchy.

We know that despite the importance of this nought-to-five period, it is where our least-qualified and lowest-paid teachers are, and where there is less stability. Both the Minister and I could probably quote the floor targets for key stage 1 to GCSE and A-level. I also know by heart the underperforming local authorities or the type of school that is the most underachieving. I think I know what his targets are for every stage of school. I do not know what his targets are for the other years, what he is doing about children's centres that are falling behind, or what the emergency intervention strategy of the Government is for nought-to-five provision that is not coming up to scratch. When I look through the DfE website, I cannot see a speech the present Secretary of State has made about early years, four or five months into her office. I will stand corrected if the Minister tells me that I am wrong.

Again, the best way to raise standards with some of our children in some of the most challenging schools from the most challenging backgrounds is to reduce the development gap between children when they start school. I very much hope that the Minister might consider adopting that as a target and working toward achieving it.

3 pm

Lord Addington (LD): My Lords, when I saw that this debate was down in the name of the noble Lord, Lord Holmes, I immediately thought, “Yes, I’m going to say something about that”—and then I thought, “I have a lot to say about that, on numerous subjects”. It was restrained of the noble Lord in his 15-odd minutes to limit himself to a number of subjects, because everything affects social mobility. However, I will try to exercise a little restraint and will talk about only two areas. One is how we help those in the education system—I take on board the stricture of the noble Baroness, Lady Morris, on this. The first thing you should say is that your parents are your key educators, and doing anything that improves the status your parents give you is a difficult task. So we are setting ourselves a little mountain to climb at the beginning.

Also, your parents will usually tell you to be like them. I am afraid that when people tell you to be like them, it brings in a whole series of straitjackets. It is also worth reminding ourselves that occasionally people who are in one of the professions do not want their children to do anything else. So if you happen to be a potentially excellent cabinetmaker or artist, you may be restrained from doing that. But I agree that that is a smaller problem than many others. If there is this pressure on you to attain and jump over certain hurdles,

usually educational ones which allow you to access the better opportunities and things, are we identifying properly all the things that might slow you down?

I hope that the Minister will not be terribly surprised—indeed, I hope that his office passed on my advance warning on this subject—that I think that when it comes to special educational needs or the “hidden disabilities”, as I like to call them, which you have to look for and know what you are looking for, we are not at present equipping our teachers and educators throughout the education system to identify these people, who have different learning patterns. Let us face it: this subject has been given a little frisson by the idea that grammar schools will come back in and make everybody more socially mobile.

The Minister made it slightly more difficult for me to have a go at him after I asked him a question about the age of entrants and the flat rate by saying, “No, we’re not going to do that—we’re going to do it differently”. If we are going to do this and think it is a good idea, and if we are going to have a different series of entrance requirements, how will we identify those people who need to be tested differently, to see that that they will benefit?

Lord Reid of Cardowan (Lab): Does the noble Lord agree that this is not just a matter of fairness to the individual, having a focus on special needs of some sort, but a great loss to the country? For instance, there is increasing evidence and experience—

The Earl of Courtown (Con): This is a time-limited debate and we are behind time already. I ask the noble Lord to make his point to the noble Lord, Lord Addington, at another time. I apologise to the noble Lord but there is no time for interventions.

Lord Addington: I do have a moment to reply—which is the advantage of not being tied to notes. Yes; there is a waste to society. To go back to my point, if the wrong people are getting there, if you are not getting others properly qualified and they are not going through, and you want to create a fast track—which preferably will get people to the right position in society, which will benefit society—you have to identify it. I hope that the Minister will be in a position to say whether we will make some movement on this. I know that there has been some contact between us, but it is probably a good idea to let the rest of the world know what we are thinking about here. If we do not, as has just been mentioned on what I will call my physical right, it is a great way of wasting resources and the benefit to our society.

Secondly, in the debate on the National Citizen Service Bill—which, oddly, I managed to listen to about half of on a monitor and in the Chamber—it struck me that in a small way this was quite a nice idea. But it then struck me that many of the social activities that people might be removing themselves from because their parents do not do them already do this. In many sports clubs—especially the bigger ones, which have a mix of people from different backgrounds who interact—and art, drama and music groups, you have a point of contact with people outside your immediate group on a subject that allows you to

interact socially. If you can do that, you have the aspiration and the idea that it is worth while to undertake the extra effort in things such as education.

This is about bringing things together. The noble Lord, Lord Holmes, suggested that bringing bits of Whitehall together is a herculean task. The thing is that two Ministers come together and work until they are dripping with perspiration; they bring things together and then two Ministers come in who have new agendas, budgets and priorities. How do we integrate this across the board and not have people fighting with each other about their little patch of authority? It is a job that I am afraid we will always be going back to.

Can the Minister describe the practical educational terms used to identify those who will struggle—how much further progress have we made? When it comes to the use of outside bodies, what attempts are we making through things such as governing bodies of sports to say that part of their job, for which they get some support from government, is to make sure that people are aware—younger people and, as the noble Baroness, Lady Morris, said, people who are reskilling and retraining later on—that these things are out there and you can act on them. Nothing will work by itself; if you go into a silo, you will stay in a silo and that is where you will end up.

3.08 pm

Lord Farmer (Con): My Lords, I congratulate my noble friend Lord Holmes on securing this important and timely debate and I also very much look forward to my noble friend Lady Coultie's maiden speech. One of the policy areas I will touch on today is the troubled families programme. Since 2008, Westminster Council, which my noble friend leads, has been helping families to restore order when they find themselves in chaos, through its family recovery team. It was an important trailblazer for this Government's national programme. I am delighted that she will be on these Benches and I hope that she will join me in keeping the pressure on the Government, and indeed on all political parties, to develop an armamentarium of policies sufficient to tackle the epidemic of family and relationship breakdown.

Families are of fundamental importance to the whole process of social mobility, for good or for ill. When relationships between parents break down or when families cease to provide a safe, stable and nurturing environment for children and young people, it can make it far harder for them to thrive, especially when the family has other difficulties such as worklessness, serious personal debt, mental ill-health or addictions to drugs or alcohol.

Children from stable families tend to have better mental health, and preventing mental health problems from developing is incredibly important given their concerning prevalence among today's young people. Such children also have greater access to social capital, more confidence, better-developed social networks and, therefore, more of the ingredients needed for them to experience upward social mobility.

Young people's character and resilience have deep roots in the parenting they have received, as the noble Lord, Lord Addington, mentioned; important life skills are for not only the education system to impart. Yet,

in efforts to improve social mobility, it is far too easy to ignore families' influence, focus solely on other areas such as education and work and to be overly "economistic". The noble Baroness, Lady Lister, cautioned us against this during the passage of the Welfare Reform and Work Bill.

Families are the neglected third pillar of the welfare state. That is why I, the Children's Commissioner and the Centre for Social Justice keep bringing the concept of family hubs to the attention of Ministers and policymakers. Rather than letting their children's centre stock wither on the vine, several local authorities have recognised that they need to make this infrastructure work even harder. They are integrating troubled families, early help and other budgets, including public health, in order to integrate and expand services within existing spending settlements. So help, including relationship support, is accessible for parents of children at any age through family hubs. They are somewhere to go where someone will have the answers.

The Children's Commissioner has indeed issued a discussion paper on family hubs this month, which states:

"Family hubs would co-ordinate statutory and voluntary approaches to tackling the root causes of inter-generational poverty, family breakdown and poor outcomes for children. They have social mobility and family stability at their core".

The Department for Education has a role to play in spreading such good practice and helping local authorities work through financially credible alternatives to simply closing children's centres. Can my noble friend the Minister inform the House when the long-promised consultation on children's centres will be launched?

The costs of family instability and failure are picked up by the health service, criminal justice and the courts, the benefits system, education and social care, businesses—the whole of society. This is why I have also been talking to many Ministers about the need for every government department to develop policies to strengthen families. I welcome the introduction of the Government's family test and urge its strengthening. But this is reactive.

The test needs to be complemented in every government department by proactive policies to help create strong families, in the awareness that they are as essential to national success as employment and education. This join-up is happening locally; an important part of the rationale behind the troubled families programme was that getting truanting children back into school and long-term workless parents into employment required addressing the complex family issues holding everyone back. For example, it means integrating help and support so that specialist employment advisers work alongside family intervention key workers, and schools reinforce what these workers are seeking to achieve with families.

Could the Minister inform the House, what has been the impact of employment advisers from the troubled families programme on getting people into work? The great prize of this programme has always been its potential to drive systemic change, not just in the families whose problems are blighting their lives and draining local budgets but in how public services work. A similar systemic change in the structure of

[LORD FARMER]

central government is also required if stronger families are to emerge and help drive much-needed improvements in social mobility.

3.14 pm

Lord Livermore (Lab): My Lords. I thank the noble Lord, Lord Holmes, for securing this debate. I know he has great commitment to this issue, not least through his work on the Select Committee on Social Mobility.

I also join others in saying that I am looking forward to the maiden speech by the noble Baroness, Lady Couttie. The issue of social mobility was the subject of my maiden speech earlier this year.

When we make the case for improving social mobility in our country, there should be a moral, a political and an economic dimension to our argument. The moral case is surely unarguable: that everyone deserves the same opportunities in life, irrespective of the family they were born into, the place where they live, or the school they attend; and that no one should be condemned to a life of poverty and low expectations simply because they were born poor. Instead, we should strive to build a society where your progress in life is determined by your aptitude, ability, effort and aspiration. So it should be of great concern that there is currently a gulf between the Britain we are and the Britain we should strive to be.

Today, the UK is one of the least socially mobile countries in the developed world. A boy born into a middle-class family is 15 times more likely to become middle class himself than a boy born into a working class family—odds unchanged over the past 100 years. My noble friend Baroness Morris referred to the fact that, by the age of five, a child from the poorest 10% of families will already be 19 months behind a child from the richest 10%. On the current trajectory, it would take 30 years before the attainment gap in schools between poorer children and their better-off classmates even halved; and it would take 50 years to close the gap between those parts of the country that send the most children to university and those that send the least. Of course, none of this is to say that social mobility never happens; it does, and many succeed against the odds. But that is the whole point—they have to swim against the tide if they are to get on.

This divide in our country was brought into sharp relief by the vote to leave the European Union. The correlation between those who voted to leave and those areas with the lowest rates of social mobility is hard to deny. Of the 65 areas of the UK identified by the Social Mobility Commission as the worst for education and employment prospects, only three voted to remain—so the political case for improving social mobility has become acute.

The idea that each succeeding generation will do better than the last is fundamental to an aspirational society, and fundamental to the fabric of Britain. But if so many feel they are consistently excluded from this idea—that their ambitions are consistently thwarted, while they see the rest of the country forging ahead—we create the space for a dangerous politics of resentment.

It is in this context that the Prime Minister's commitment to heal these divisions and build a country

that works for everyone is so welcome. But we must ask whether this desire for a different kind of society is matched by plans capable of delivering it. Initiatives such as the new opportunity areas and the youth investment fund are, of course, welcome. However, if the Government's highest-profile policy for social mobility is a return to grammar schools, then the answer is surely no.

To genuinely promote social mobility, we need a comprehensive strategy that includes employment support, housing, early years provision, vocational education, public health and parenting skills. Our consistent failure to meet the moral obligation to improve social mobility contributed to the vote to leave the European Union, which in turn has the potential to create real economic challenges for our country.

A strong economic case for high rates of social mobility has always existed: that we should minimise the loss of productive potential from talent that is never deployed. Indeed, an economic analysis by the Boston Consulting Group for the Sutton Trust estimated that closing the educational attainment gap could add as much as 4% to GDP. But leaving the European Union makes this case even more important. Now, more than ever, we cannot afford to waste anyone's potential. We must make use of all the talents in our country as we seek to remain internationally competitive.

The economic consequences of Brexit, when it happens, have the potential to create a perfect storm for social mobility: less inward investment would mean fewer career opportunities for young people. Businesses leaving the UK—or corporation tax cuts or subsidies to induce them to stay—would reduce our tax base and the money available for deprived communities. A shrinking of the financial services sector would remove a powerful engine of social mobility. Any recession would disproportionately impact young people at the beginning of their careers, and reduced opportunities to work and travel freely within the EU would risk curtailing their horizons and aspirations.

We know what happens to social mobility in these circumstances: those from privileged backgrounds jump to the front of the queue for scarce job opportunities, ahead of their more disadvantaged counterparts.

At this time of profound economic change, it is vital that we embed our commitment to social mobility in the development of new policy within government. As the noble Lord, Lord Farmer, said, the Government have done this successfully elsewhere, ensuring, through the family test, that a family perspective is considered in every new policy.

I end by asking the Minister whether the Government will consider a similar initiative for social mobility, issuing guidance to government departments in the form of a social mobility test, to ensure that the impact on social mobility is recognised explicitly in all that the Government do.

3.20 pm

The Lord Bishop of Portsmouth: My Lords, in these few minutes I should like to set the concern and aspirations for social mobility—already so well introduced by the noble Lord, Lord Holmes, and other noble Lords—in the context of the challenges faced by many people, some in my own diocese, who face the daily

grind and trial of simply getting by for the day or, at best, the week. The Prime Minister has referred to the need to focus on “just managing” families, and I agree with her, but surely the task is to help make it possible for them to do better than just manage, enabling their energy to be taken up not just in dealing with the everyday challenges but in improving life chances for themselves and their families, including social mobility.

The policies inherited by this Prime Minister and her new Government can be expected to have a significant impact on those towards the bottom of the income and privilege ladders, whom we surely want and ought—if I may introduce a note of morality—most to support and encourage. Those who are on benefits, and whom none of us wishes to keep reliant on them, will see income reductions in the years ahead. I am thinking most of those in work and on benefits. There will indeed be some modest compensation for cuts in working-age benefits from income tax changes and the introduction of what the last Chancellor styled the “national living wage”; nevertheless, the bottom 30% will see a reduction. The same suite of policies is expected to raise incomes for those of us in the top half of the distribution. If there is higher inflation, and even if just a temporary contraction of the economy follows Brexit, the poorest will be likely to be hit the hardest. All this has an impact by retarding social mobility. These people will need extra support to manage, not less.

It is against that background of existing policy that we engage in a debate about doing more than managing—that is, improving opportunity for social mobility. It is hard, and sometimes impossible, to seek a new or better job or to support your children in their education if your daily preoccupation has to be with getting by. As we enter a period when there will be difficulties for those on the lowest incomes, we need to ensure that economic inequality does not worsen the base from which mobility can come. Trapping people on a lower income undermines social mobility, making it more difficult to access other welcome initiatives to address intergenerational mobility.

I accept that social mobility is not only about income, but it is a major factor in, and influence on, people's ability to access other opportunities. Having to struggle to get by and, for instance, working very long hours on low pay, reduce time and energy for parental engagement in their children's development. An advantageous home environment is very important in a child's early years development. Enough parental and adult time, energy and money are essential for children to access sport, non-statutory educational opportunities and community engagement, all of which should begin at an early age if mobility is to be possible.

A key finding from the Social Mobility Commission highlights areas of the country that have become social mobility cold spots, particularly coastal areas. Some are in the diocese that I serve, covering the mainland coastal areas of Gosport and Portsmouth, along with the Isle of Wight. Many of these areas perform badly on both educational measures and adulthood outcomes, giving people from less advantaged backgrounds limited opportunities to get on. Regional disparities require focused attention, and I trust that our grand aspirations lead to resourcing for hard-to-reach regions and communities and the people who live there.

I draw my comments to an end, delighted to make way for the much-anticipated maiden speech of the noble Baroness, Lady Couttie. In our ambition to enhance social mobility, we must recognise the reality—that those just managing are those who ought to be our special focus.

3.26 pm

Baroness Couttie (Con) (Maiden Speech): My Lords, it is with great humility and a deep sense of pride that I stand before your Lordships today as a Member of this noble House, as ready as I will ever be to give my maiden speech. I have to admit to feeling a little daunted, as I do so in front of such an august audience.

To a certain extent, the enormity of my entry to your Lordships' House is still sinking in as I try to learn the great customs and traditions of this hallowed House, but your Lordships have all been so welcoming, for which I am very grateful.

I would like to take this opportunity to highlight my appreciation to my two supporters, my noble friends Lord Lamont and Lord Astor, for introducing me to the House. It was an incredible honour to have their patronage and it is something that I will always remember. I must also place on record my sincere thanks to the talented team of officials here; they have been a tremendous source of knowledge and orientation.

Now, I am giving my first speech to the House on a matter that was the driving force behind my entry into public service—how we promote social mobility. I feel privileged to speak in a debate led by my noble friend Lord Holmes, who is himself such a role model.

I was fortunate enough to be sent out into the world from a strong foundation and with support from my parents. I recognise how fortunate I was to have the opportunities afforded to me and, as a result, I have been driven from an early age to help others to reach their full potential.

On leaving St Andrews University, I began my career in public relations, where I became the managing director of a subsidiary of a publicly quoted company, and I founded, built up and sold two businesses. I then joined Schrodgers, where I headed its principal finance business, funding the redevelopment of schools and hospitals and building new ones. Schrodgers was taken over by Citigroup, where I became a director.

Most noble Lords will not see that investment banking has anything to do with social mobility, but in fact it was the ultimate meritocracy. I worked with individuals from every nation, creed and socioeconomic background, including those who had left school at 16 with few qualifications but who, by dint of their intellect, hard work and a bit of luck, had reached senior levels within the bank. I realised how important aspiration and all types of opportunity are in determining life chances.

Then, later in life and after some considerable struggle, I had twins, prompting me to leave the City. Politics has been part of my life since childhood, so, when a council seat became vacant in my own ward, I decided it was time to put something back into society and bring my experiences in the private sector to the world of the public sector. I had an ideal which inspired me—that to help individuals and communities succeed,

[BARONESS COUTTIE]

we must facilitate the ladders of opportunity for people to make the kinds of steps forward that they want to make.

Government, both central and local, works best when it nurtures our human instincts to succeed and to build a better life for ourselves and our families. Government works best when it helps people to realise that potential and does not unwittingly stifle it, locking them in to a cycle of dependency and despair.

On being elected to Westminster City Council in 2006 and then, in particular, since serving as its leader, I have sought to weave the ladders of opportunity into my work. Despite the world-renowned tourist destinations and nationally significant economic dynamism of areas such as the West End, Westminster is a city of contrasts. Sitting cheek by jowl with some of the most desirable postcodes on the globe are pockets of severe deprivation, experiencing levels of poverty comparable with the highest in the country. In one of our wards, 50% of the residents are unemployed, and 50% of those have mental health issues. In another of our wards, 100% of the children are deemed as living in poverty.

In this day and age, in the very centre of our nation's capital, no one should find themselves in that situation, and I have been determined to create the education, skills, housing and social support that Westminster residents need to succeed in their ambitions. I have committed the city council to tackling long-term unemployment as its number one priority. We have 10,000 long-term unemployed people in Westminster, many with complex issues, including mental and physical health problems. Tackling this worklessness is not easy, but we are succeeding. We are also supporting parents on low incomes to find better paid work to help tackle child poverty. Success can be achieved only with the local authority, employers and other partners working together to ensure that people can access jobs, training, apprenticeships and work placements. I am glad to see that the opportunity areas proposed by the Government suggest just such an approach.

As cabinet member for housing, I completely reinvented the way that we approached investing in our housing stock, not only to deliver over 1,000 new homes but to build an economic regeneration in our deprived areas. It was underpinned by my belief in building communities with the right infrastructure and jobs for local people, as well as homes.

In giving our children the best possible start in life, Westminster's troubled families programme has gone from strength to strength, as my noble friend Lord Farmer has mentioned. I am aware that recent coverage of the scheme has not been positive, but that certainly does not reflect the experience in Westminster, as we have turned round the lives of more than 1,500 families.

In January this year, the Social Mobility Commission published an index setting out the differences between where children grow up and their chances of doing well in adult life. The City of Westminster was ranked first out of all local authorities in the country for providing social mobility. That was because 85% of children eligible for free school meals in Westminster attended a secondary school rated outstanding or good by Ofsted. Only 8% of young people eligible for

free school meals are not in education, employment or training one year after completing their GCSEs—the seventh lowest rate in the country.

It is my strong belief that no child's life should be defined by their circumstances, and I am convinced that as a country we must redouble our efforts to promote social mobility. I welcome the Government's clear commitment to this and very much hope that, as a Member of this House, I can make a contribution to support this.

3.32 pm

Baroness Jenkin of Kennington (Con): My Lords, it is a great pleasure and privilege to follow my noble friend Lady Couttie's exceptional maiden speech. She comes to this House not only with a wealth of experience in business and at the top of local government but with expertise in a wide variety of other roles; for example, as governor of Imperial College and a member of the London LEP. As a Westminster councillor for 10 years, including, as we have heard, four years as leader, she has a reputation for listening and consulting, as well as for running what is widely regarded as one of the most efficient, competent and innovative local authorities in the country. I know that she will not mind me telling the House that she has also battled with cancer and has spoken out about it publicly because she feels, rightly, that not enough people talk about their experiences, which can be so helpful to those struggling with the disease.

My noble friend also comes with a significant heritage. I hope it is not inappropriate to pay tribute also to her mother, Dame Marion Roe, a Conservative MP elected in 1983 at a time when there were only 13 Conservative MPs—the same number as in 1931. Dame Marion has been a wonderful support to many new women MPs and I am delighted to welcome her very able daughter to our Benches today. With her 25 years in leadership roles we look forward to significant contributions from my noble friend in the future.

I start by thanking my noble friend Lord Holmes for introducing today's debate in his usual inspirational way. His own story of social mobility, from a working class background in Kidderminster to becoming Britain's most successful Paralympian—amassing nine gold, five silver and two bronze medals across four Games, including a haul of six golds at Barcelona in 1992, followed by an amazing, stellar career outside active competitive sport—is an inspiration to us all. If we could bottle my noble friend's spirit, character, personality and resilience and parcel it out, we would have no further challenges with social mobility in this country. My noble friend talked about role models and there can be none greater than him. Like all noble Lords, I am totally in awe of his achievements.

Theresa May, from her first speech as Prime Minister, has been unwavering in her commitment to social mobility. The need to redouble efforts to target disadvantaged pupils is obvious and urgent. Recent research published by the Education Policy Institute shows that there is still significant work to do to create an education system that offers opportunity for all and not just those living in the most affluent postcode areas or from the most privileged social backgrounds. No one is in any doubt that social mobility means

many different things to different people. It is complex and multifaceted and can include poor health. Obesity, especially, is a major contributor to social immobility. I welcome the recent launch of the Centre for Social Justice's inquiry into childhood obesity. As noble Lords will know, although I would like to focus more on that aspect in my speech, there is not enough time to do so today.

What is also needed is an understanding of the fact that some of the things that hold children back are not just deficiencies of the state and its machinery. These obstacles cannot all be reduced or removed by ministerial instruction or legislation or even by additional funding. We need an acceptance that some obstacles are social, some cultural, and some have their roots in the families and communities where those children grow up. You cannot legislate for higher parental ambition or better social connections.

However, a great start has been made by reorganising government so that the levers which manage and control the life chances agenda are now firmly within the Department for Education and supervised by Justine Greening, who, with colleagues such as Stephen Crabb and Robert Halfon, had prepared much of the life chances and social mobility policy work in advance of her move to education.

Much has been made of the background of the Secretary of State. It is indeed remarkable that she is apparently the first person to hold the job who was educated at a comprehensive school—although that background is actually far more common in the other place than many realise or understand. However, attitude and understanding are more important than her education, and Justine Greening is now in a position to do something about it. Anyone who cares about making Britain a country where your place in life depends on your talents and efforts should support her ambitions and programme. She says that her own background as the comprehensive-educated daughter of a Rotherham steelworker has given her the inspiration to fight for social mobility from inside government. Talking about her vision of a levelled-up Britain, she says:

“When I was growing up in Rotherham I knew there were kids getting a better start than me, but it would never have helped me to have their opportunities taken away. That wouldn't have suddenly improved my life; it would have made theirs worse, and it certainly wouldn't have done Britain any good at all. So for me this levelling up is about us saying we need to have opportunity and potential for children who currently don't have it. It goes beyond education to some of the work we're doing on apprenticeships, and about businesses saying what can they do to find those rough diamonds that are coming through and fast-track them through the system, even if perhaps they don't have that kind of network that some other people might have. It's about us as a country deciding that social mobility, and people being able to get to the top wherever they start and whoever they are, is one of the defining features of Britain for the 21st century. It should be something that we're recognised for. People talk about the American Dream, but what we're talking about”,
here today,
“is how do you create the British Dream”.

3.38 pm

Baroness Massey of Darwen (Lab): My Lords, I thank the noble Lord, Lord Holmes, one of my heroes, for introducing this debate in such a wide-ranging way.

I have also enjoyed the contributions from other Members of the House, including the excellent maiden speech of the noble Baroness, Lady Couttie.

This Government, like Governments before them, expressed the wish to improve the lot of children who do not achieve all that they might. I suggest that that success has been limited due to complex factors. Many of these factors in the UK mitigate against those children who are deprived in some way. Many parental options are limited to those in the upper and middle classes. A worrying fact pointed out by the OECD report last year and echoed by the Office for National Statistics said that the UK has the worst performance of intergenerational earnings mobility compared with other OECD countries.

I want to touch on what denies and what facilitates progress. To start at the beginning, the Early Intervention Foundation has provided much valuable research on the importance of brain development in the early years, the need for language stimulation, and for books and toys. This points to the need for positive parental care action, but parenting classes are thin on the ground and mainly absent in any school curriculum. We are neglecting the most important job of all: parenting. Early years education, discussed admirably by my noble friend Lady Morris of Yardley, is not about testing, as she said. It is about developing self-esteem, self-confidence, resilience and curiosity, as well as intellectual confidence. These are the bases for success, good relationships and mental health. I am sure the noble Lord, Lord Holmes, would agree with that.

Childcare is shown to have positive effects if it is of high quality. A Select Committee carried out an inquiry into affordable childcare last year. I was delighted to be involved in its work. We took valuable evidence from a number of sources. The Government's extended childcare offer will provide more support for many working parents. However, local provision varies in quality. We found that, too frequently, the most deprived areas have the poorest quality of childcare. There is not enough flexibility in the system, which can be difficult to negotiate for parents. What are the Government doing about this?

The Select Committee on Social Mobility, chaired by my noble friend Lady Corston, produced an excellent report on social mobility in this Session. It states that factors that may influence social mobility include coming from a poorer background, low educational attainment, family background, gender, ethnicity, health, special educational needs, disability, and where a child grows up. Comparisons have been made between the north of England and London, where the excellent London Challenge, established by the Labour Government, transformed the lives of many children. This was a well-designed and targeted intervention. The Sure Start programme, sadly being dismantled by this Government, was another successful initiative. On the other hand, we have the troubled families initiative, mentioned by the noble Lord, Lord Farmer, costing over £1 billion with disappointing results. Why? I agree on the importance of families. I say yes to initiatives and innovation, but they need to be based on firm evidence, consultation, appropriate targets and good monitoring, and, as the noble Lord said, the need to integrate.

[BARONESS MASSEY OF DARWEN]

On secondary education and grammar schools, why the Government wish to return to a flawed, divisive system I cannot imagine. I went to a grammar school. I was a working-class girl there. At that grammar school, only a fraction of the top stream went on to higher education. I know that that was a long time ago.

There was a debate on grammar schools in your Lordships' House on 13 October. Grammar schools do not work for everyone. Those not selected, or those in lower streams of grammar schools, may feel that they have failed. What a waste. As my noble friend Lady Andrews pointed out in her riveting speech in that debate, the idea that grammar schools promote social mobility is a nonsense. I quote her:

"The fact that the heyday of the grammar schools between 1950 and 1970 coincided with significant social mobility driven by economic and technological change is just that—a coincidence".—*[Official Report, 13/10/16; col. 2014.]*

We must not go backwards. We should explore what positive models work in other countries and what progress has been made in our own country. The noble Lord, Lord Baker, who I see has disappeared in a puff of smoke, inspired the university technical colleges. He said that he could not be here today; he was, but he has gone. He told me yesterday that in July 2016, 1,292 students from these colleges left with excellent results and only five were not in education, employment or training. This is from a comprehensive intake.

Good schools promote holistic education and life skills: the arts, sport, programmes of social development and so on. I agree entirely with the words of the noble Lord, Lord Holmes. They are not full of stress in pupils and teachers, as well documented by many researchers. They are models of social mobility. Unfortunately, I see no coherent plan for the education and development of young people in this country. I have pleaded before for an overall strategy for youth in this country, embracing education, health, sport, the arts and social skills. What I see at the moment resembles a kaleidoscope, constantly being shaken to change the place of the pieces. The patterns, by chance, settle down into different formations, but they are fragile and confined. Attempts at improving social mobility need better planning, cross-disciplinary action involving parents and children, and a dedicated strategy. Does the Minister agree?

3.45 pm

Baroness Gardner of Parkes (Con): My Lords, I congratulate my noble friend Lord Holmes on the debate, which is very timely. I am also delighted to have been here for the maiden speech of my noble friend Lady Couttie. I served for 10 years on Westminster City Council and my husband served for 25 years, so I am particularly delighted that she comes from that background.

It was interesting listening to the speeches. The noble Baroness, Lady Morris, for example, stressed the need for more development and encouragement in the ages of nought to five. I absolutely agree, because I was chairman of social services. In some of the ethnic groups, their only idea of how to care for their child was to keep them sedated and sit them in a big

cardboard box in the kitchen while they did other work. Those children made no progress because they had no stimulus or outside interest; whereas other families were very active in encouraging their children to take interest in things, and they were given incentive and encouragement. That is very important.

My family background is that my grandparents went to Australia and ended up in Parkes because that was the end of the bullock train. You could not go any further. Then, by chance, my father got an education. There was one rich family in this town, which still has only about 10,000 people, who came to my grandfather, who ran a small dairy farm and said, "The education at this college is all paid for, and my boy won't go, so I would like you to send one of your children". It was offered to the eldest son, and he said, "No, it's too late for me. I think the next boy should go". That was my father.

My family said, "No, we cannot really spare him because we have got to get round and sell the milk". The eldest boy said, "Well, I will do a double round". Through that, my father got to that college, and he went from there to Sydney University. It was the first ever graduating year of pharmacy from Sydney University. Later, he was the deputy premier of New South Wales, and apparently the world's only Minister for Public Health and Motherhood, so he achieved quite a lot. There were nine children in our family, and I think, because of that, he realised how very hard it is, and he brought in child endowment, which here we call child benefit, to help families.

He met my mother at Sydney University. She was very keen on education, and she had had to come from Queensland because there was no university there. She graduated in 1912, and was determined that all her children would get an education. My father did very well financially, but after he died things went terribly wrong, and the last two children did not get a penny. That was probably good for me, because I had to turn around and do something for myself. My father had believed we should all be worthy of our place in society. We should not just be sitting back because someone had made a financial success of things. That proved to be very important.

I think it is very important for all children to have encouragement from their families. They can have that encouragement only if the families know what the opportunities are and have an interest in the child achieving something. It is not a straightforward situation.

I found, in dental practice in Old Street, which was never smart in my day, in the 35 years I was there, the real problem was that so many of the parents or grandparents had very little English. This is where we can see the relevance of the statement that has been made today, that adult education is important, not only child education. People would come in for treatment, and a child would have to accompany them to explain what the problem was and then to translate what the dentist said to the parent or grandparent. Those women were completely cut off from society. I remember that Keith Joseph always said, "You can't teach your children how to wash clothes unless you know how to wash clothes". I think this is true. This cycle of deprivation has to be broken if we are going to give people opportunities for social mobility.

I see that the report issued by the Library mentions that the OECD in 2010 said that it is easier to advance in Australia and Canada than it is here. I think that is only because those countries are so much less developed. What concerns me more is a statement that London is pulling way ahead of other parts of the country in terms of opportunities in education. That should not be. It is very important that all the other big cities do everything they can to help their people.

Things need to be done to encourage people, particularly the young. Opportunities, encouragement, and a feeling that one can achieve something are important. Two things that I speak on pretty regularly I will comment on briefly. One is housing. Social mobility is pretty closely linked to having somewhere decent to live, where you can make a success of life. Therefore, there should be more social housing and more housing to rent and we should make sure that these holiday people do not take over valuable accommodation.

Another thing is nursing. I think we went too far—I think it was the Blair Government that did it—in saying that you had to have a university degree to become a nurse. Some of the very best nurses I know could never have got five As to get in. They were in a different category of nurse, and they were very good indeed. We should bring back that second tier in nursing which still exists in Canada and Australia. They brought in the A-levels and the superb university degrees, but they maintained that middle level as well. That is such an opportunity and a way for people to get social mobility, to enter a profession of that type and feel proud to be a member of it.

3.52 pm

Lord Storey (LD): My Lords, I thank the noble Lord, Lord Holmes of Richmond, for initiating this important debate. I was so pleased that he talked about effective careers advice and the need to start that in primary schools. He also mentioned the importance of the early years, a subject I will be coming to. On my behalf and that of my noble friend Lord Addington, I congratulate the noble Baroness, Lady Couttie, on her excellent maiden speech, a clarion call to redouble our efforts. She really is a glutton for punishment, because I notice that she is speaking at 5 pm in Grand Committee. I am very impressed. I do not think there are many people who would make another speech on the same day as their maiden speech.

As a number of speakers have said, our society must ensure through our policies that every person can have a quality of life and the opportunity to improve their circumstances, regardless of their background, where they live or who they are.

As we have heard from a number of your Lordships, the Prime Minister promised on taking office that she was committed to putting social reform and social justice at the heart of her Government. Promoting social mobility, particularly for the most vulnerable, will be crucial to creating a society that indeed works for everyone. A range of issues has to be tackled if the Prime Minister's words are to become a reality—poverty, employment support, welfare, housing, public health, mental health and family support. Many of your Lordships have spoken eloquently on these issues.

The excellent report of the Lords Select Committee on Social Mobility, mentioned by the noble Baroness, Lady Massey, makes a raft of recommendations. I was taken particularly by its focus on what it called the overlooked middle; that is, that group of 16 to 19 year-olds who are neither going on to do A-levels nor in the NEET group. The report talked about better mechanisms for co-ordination between FE and employers at a local level, plus better national-level support on things like tracking and data on this group, which are currently very poor. I was interested to read in *Hansard* the debate in another place on Merseyside schools and was delighted for the first time to see a Minister in this Government talk about how important was further education. I thought that that was a real sea change. Linked to the work that the noble Lord, Lord Baker, has been doing, there are real possibilities there. Perhaps the Minister will tell us when the House can expect to debate that report.

Members will no doubt have been sent a large number of detailed briefings ahead of this debate from a wide range of organisations—and I would like to thank them. As one reads through each briefing, it becomes apparent that one issue above all is seen as the way to tackle social mobility. That, of course, is through education. To paraphrase that American political slogan: it's education, stupid—and crucially in the early years. As Action for Children says, significant evidence points to a child's education in the earliest years as being central in shaping the rest of their lives. The NAHT points out that, by the age of 11, poor children lag on average nearly 10 points behind their peers in educational progress. That attainment gap grows ever wider as they progress through the rest of their schooling, affecting their life chances in the most dramatic—some may say, the most disturbing—way.

What is the proposal of our new Government in using education to help social mobility? Yes, it is the reintroduction of grammar schools. Where grammar schools exist, they do nothing to increase social mobility. Creaming off 20% of the brightest children does not help other local schools; it does not help that all important pupil-peer support; it has the potential of taking the best teachers away from other schools; and it does not help a local community. Every piece of independent research carried out confirms that grammar schools do nothing for social mobility. I suggest to the Minister that if a grammar school landed on the catchment area of his Pimlico Academy it would not help his school by creaming off the brightest, and it would do nothing to help social mobility. If the Government are intent on this policy—it is doubtful that they would get it through—then why not move away from the rhetoric and carry out some proper analysis and evaluation? Let them ask the NFER, for example, to do the research and then we can formulate policies based on proper research. As Russell Hobby of the NAHT wrote in the *Times Educational Supplement*, the Government's grammar school plans are based on anecdote and not on evidence.

By the time children reach the age of 11, it is too late to tackle many of the disadvantages they face in relation to education and development. If the Government are truly focused on increasing social mobility, they should invest in early years. Research shows that children's

[LORD STOREY]

life chances are often determined before they even enter primary school. This means that if we are really to achieve change, it can happen only if there is a strong focus on families with pre-school-age children. Children's centre provision must remain at the heart of policies to effect social mobility and they must remain flexible to fit local needs. Can the Minister update us on any plans the Government may have to evaluate children's centres, and to see what creates a successful children's centre and how we can learn from that?

Let us remind ourselves that 10,000 young people leave care every year. These children are some of the most vulnerable in our society. Research shows that young people leaving care are more likely than their peers to have poor outcomes in a whole range of areas. In recent years it is to be celebrated that governments have done much to formulate policies which will help these young people, but much more needs to be done.

A key factor influencing the social mobility of a young person is their ability to find full employment. Care leavers and young people with special educational needs often face particular challenges finding work, and more intensive help and support are needed. It is important that the Government's recent commitment to provide support for employers to take on care leavers and those young people with special educational needs is fulfilled, particularly in the role of apprenticeships.

Career education is a key component of employment and skills provision, but the current offer is delivered through a range of initiatives and providers, making it patchy and fragmented. Can the Minister say when we are likely to see proposals come forward on careers education?

We have been trying to tackle the causes of the prevention of social mobility for a considerable time. I am absolutely sure about the sincerity of successive Ministers and governments. I have found myself agreeing with everything that has been said in this debate. I was particularly taken by the comments of the noble Baroness, Lady Morris, about the nought to five year-old group and the comments of the noble Lord, Lord Farmer, about the family hub. On many occasions I have seen how children have succeeded against all the odds. As parents, we would do everything for our children. That everything includes things that many families do not possess—family support and networks.

An interesting NFER report landed on my desk the other day on how parents choose the school their child goes to. Parents from low-income groups let the child decide, or select the school already attended by siblings. Those from higher-income groups undertake research on possible schools and attend open evenings.

There is not one single silver bullet that will achieve what we all want to happen, but if we are prepared to listen and learn from good practice and the research available we will continue to make good strides.

4.02 pm

Baroness Prosser (Lab): My Lords, this has been an interesting and wide-ranging debate and I join others in thanking the noble Lord, Lord Holmes, for placing the debate on the agenda and in congratulating the noble Baroness, Lady Coultie, on her maiden speech and in welcoming her to the House.

Many influences in society affect people's lives and it is incumbent on Governments to devise and deliver policies and programmes that enable citizens to flourish and grow. Citizens and parents in particular must also take advantage of available opportunities. All that is in an ideal world, of course, but in the great mix of things there are folk who may be less able to move on and up. In the interests of the rest of us, the call goes back to government to intervene.

I absolutely agree that early years interventions are hugely important. But sometimes life is not quite so straightforward and pesky changes intervene. Let us take the world of work as an example. In the lifetime of most of us in this House, a person could leave school with zero qualifications and walk into a job, which may have been a bit boring but which—because it was a buyer's market and because the trade union movement was on the case—might have paid quite well. If that job did not suit, there was always another one down the road.

For those who suddenly woke up and realised that they could and should have done better at school, there was always night school and employer-supported day release. Not so now, of course. Any halfway decent job that a person could walk into requires the applicant to have at least five good GCSEs, A levels and/or a university degree.

Aside from apprentices, about whom more later, applicants without any of the above find themselves in jobs paying the minimum wage or, worse still, part of the “gig economy”, delivering goods and packages as fast as is humanly possible and listed as self-employed: no security, no status and no stake in society.

I make these comments because I firmly believe that good employment opportunities are the key to upward mobility. But, of course, good employment opportunities stem from good education, and the ability to make the most of these chances goes back to a decent start in life. Take what used to be called the Sure Start programme: launched by Labour in 1998, it recognised this issue, targeting children and families in areas of high deprivation and aiming to boost their life chances. Changes have been made to the programme since then, with funding reductions and a transfer of responsibility to local authorities.

Criticism of these changes by Norman Glass, one of the founding architects of the scheme, points in particular to a shift from child development to childcare and towards getting mothers into work. Would the Minister care to comment on these changes? Such initiatives require considerable long-term intervention, and I would have thought that in the case of the Sure Start programme, where the parents' behaviour was identified as being in need of attention, getting mothers into work would not have been a priority.

Obviously, the free pre-school policy is to be welcomed. It is available across areas so that children from a mix of backgrounds are involved, and we know that it gives children a good start when they then attend primary school. But what does the Social Mobility Commission say about how opportunities manifest themselves across educational areas in England? In producing the Social Mobility Index, it has assessed the best and worst-performing schools, largely using

free school meals as the indicator. The results show that 20 of the 25 best-performing areas for schools are in London. Rural and coastal areas figure highly in the bottom 25—very similar results to the analysis carried out on youth mobility indicators. Labour's London Challenge scheme has seemed to be pretty influential and successful here. However, when the Social Mobility Index moved on to look at which areas proved best for adult social mobility, the tables were turned. Using indicators including housing and pay, only one London borough came into the top 20 this time, while five London boroughs were in the bottom 20 areas.

Life in these times does not always follow a smooth path. Jobs for life are long gone. A person may get a good education and be doing quite well, but changes to the labour market, combined with high housing costs, can mark the beginning of a downward spiral so that any upward mobility can be forgotten, and geographic mobility is a non-starter. We need therefore to pay greater attention to the churn in the jobs market. People are living longer. Work is often short-term or otherwise insecure, and opportunities for retraining are few and far between.

This brings me neatly on to apprenticeships. I know that much work has been done on this subject and that the Government are keen to tighten up the definition of an apprenticeship—all that is welcome. Welcome also is the availability of adult apprenticeships, because that plays to my point above on the need for retraining. However, I am concerned about much of this programme.

First, the Government have committed to the provision of 3 million apprenticeships by 2020. That is 5,500 apprenticeships every week over the five-year period. Seriously, Minister? Perhaps the noble Lord will be able to tell the House how this is progressing, and at the same time assure us that the desired level of quality is also being achieved. This week, the House received a Written Statement in the name of the noble Lord, Lord Nash, entitled "Supporting Apprenticeships". The second paragraph points out how an apprenticeship can unlock a brighter future for "those just about managing". That is a really unfortunate phrase, which speaks volumes about the attitude in this country to vocational versus academic learning. Could the Minister explain the thinking behind this?

Secondly, the Statement comes from the Department for Education and yet contains no mention of the role of schools in helping young people to make choices, including a move, where appropriate, towards apprenticeships and vocational learning. Again, can the Minister tell the House how we can get over the conflict between schools being tick-boxed against academic achievement and, in part, funded via the numbers of students remaining in the sixth form as against recognising the tendencies of some young people towards a more vocational career? A number of employers have complained to me that schools will not allow them in to talk to the students about apprenticeship opportunities, yet this route can lead to satisfying and often lucrative jobs—the path to social mobility indeed.

One good course of education for later learners comes via the trade union movement. Always known for its commitment to education and learning, the union record is long and proud. The TUC acts as the

umbrella for the Unionlearn programme, delivered in workplaces, often lifting up people's literacy and numeracy skills, and consequently their chances of moving on and up in the workplace. I hope that the Minister will be able to reassure the House that funding for the programme, popular among employers as well as employees, will continue to be supported.

I cannot leave the area of education without saying something about grammar schools, which are not universally well received, to put it mildly. Toby Young, that stalwart supporter of free schools, has expressed reservations. Writing in the *Spectator*, he points out that grammars take in on average four times as many children from fee-paying prep schools as they do children on free school meals. He also quotes a 1959 report which showed that, even then, only 3% of grammar pupils came from unskilled manual backgrounds and that they were less likely to go to university. Indeed, I fell into that category myself.

Many other aspects of this subject have been covered, but a shortage of time means I must conclude my remarks.

4.12 pm

The Parliamentary Under-Secretary of State, Department for Education (Lord Nash) (Con): My Lords, I thank my noble friend Lord Holmes for tabling this debate. I echo my noble friend Lady Jenkin's comments about what a wonderful role model for social mobility he is. I thank all who contributed to this debate. It is clear that we all share the view that social mobility is essential to making our country one that works for everyone, not just the privileged few.

I congratulate my noble friend Lady Couttie on her maiden speech. Her role as leader of Westminster Council—the most socially mobile local authority, according to the Social Mobility Commission, as she said—means that she brings with her excellent insights into this issue. I pay tribute to her work on the troubled families programme. I have had the pleasure of dealing with her in my role as an academy sponsor in Westminster, and I therefore know that she will bring considerable intellect and clarity of thought to your Lordships' House.

Children from many different types of families lack access to the opportunities they need to succeed, and this Government are determined to tackle that, not only for the most disadvantaged but for those parents who work but, as the right reverend Prelate the Bishop of Portsmouth said, struggle to get by—those who are "just managing". There are social mobility cold spots up and down the country, as a number of noble Lords mentioned, where too many children start school behind, too many schools are not good enough, progress to the best universities is limited to the very few, and too many children go home to families where no one has worked or possibly ever worked. Gaps in cognitive skills by family background start off large, as early as age three, and get larger as children progress through education. Our recently launched opportunity areas will be at the forefront of tackling the causes of these gaps.

We agree that there is a need to level up the playing field to ensure that for all children, it is talent and hard work that determines success in life, not the lottery of

[LORD NASH]

one's birth circumstances. When less able but better-off children are 35% more likely to become high earners than bright but poor children, we know there is a problem that we need to fix. This issue goes beyond the education system, and I welcome the steps taken by professional firms to recognise talent and not background, including changing A-level criteria and creating new apprenticeship routes into top jobs. This marks real progress but there is further to go. Education is a crucial part of the answer to reverse this problem. By prioritising knowledge and skills, the right advice at the right time and the need for challenging life-shaping experiences, the education system can support everyone. The Department for Education now has higher education, further education and skills back within its remit. I will not dwell on how we lost them in the first place.

The noble Lord, Lord Livermore, made a powerful speech on how socially immobile our society is, and asked about the need to consider the impact on the social mobility in policy development. Having all the educational levers in one place means that we can make sure that each part of the system leads fluently to the next and sets all children up for successful careers which play to their individual talents. This gives us an exciting opportunity to make education a driver of social mobility. He referred to the question of a social mobility factor. The social mobility impact is essential to our policies and we are testing our new policies in the department against this. I also echo the comments of my noble friend Lady Jenkin about the particular personal driver of the new Secretary of State for Education in relation to social mobility. I see this in evidence every day, and it is impressive.

As the noble Baronesses, Lady Morris and Lady Massey, and the noble Lord, Lord Storey, said, early years are so important. It all starts from the earliest days and weeks. High-quality early years education lays the foundation for a child's education, opening the door to a future opportunity. Attendance at a preschool can result in an increase of seven GCSE grades or equivalent at key stage 4—the equivalent of getting seven B grades compared to seven Cs. Parents are their child's first educators and need to know how best to support development and instil a love of learning, because we know that when children start behind, they stay behind. Our *What to Expect, When?* guide sets out the development expectations at each stage so parents can properly support their children to reach these milestones.

I reassure the noble Baronesses, Lady Massey and Lady Prosser, that the Government recognise the vital importance of early intervention and the crucial role played by education and children's services in providing it effectively and promoting good outcomes for children and families. The Early Intervention Foundation has been funded for three years by the DfE and other government departments, and further funding has just been agreed for the 2016-17 period. As well as doubling free childcare for eligible parents of three and four year-olds, we have expanded the entitlement for two year-olds from our lowest income families.

The noble Baroness, Lady Prosser, asked about the decision to move from Sure Start local programmes to Sure Start children's centres and the transfer of

responsibilities for the programme to local authorities. This decision was taken by the previous Labour Government. The local authority duties in relation to children's centres were set out in the Childcare Act 2006 and would have been debated at that time. The noble Baroness, Lady Morris, particularly stressed the importance of the years zero to five. It has been particularly encouraging, since we enabled free school applications for primaries to include nurseries, to see how many primary free schools have included applications for nurseries. The points she makes are powerful and I will discuss them with Minister Dinenage. The noble Baroness may be pleased to hear that the Secretary of State visited a children's centre in Norwich last week.

My noble friend Lord Farmer asked about family hubs and children's centres. The Prime Minister has been clear that tackling poverty and disadvantage and delivering real social reform will be a priority for this Government. The noble Lord, Lord Storey, also asked about our thinking and plans for children's centres. We will provide further detail in due course and will make it clear how stakeholders and the public can contribute. I very much hope that my noble friend Lord Farmer will contribute to this, as I personally have considerable empathy for his family hubs concept.

My noble friend Lord Farmer talked about the troubled families programme. In June 2013, as part of the first troubled families programme, 150 employment advisers were seconded from Jobcentre Plus to work in local authorities and offer direct support to help troubled families into work. In total, more than 18,000 families in the first programme saw an adult come off out-of-work benefits and move into continuous employment. The noble Lord, Lord Storey, asked about the Select Committee on Social Mobility. The Government's response was published in July and the debate in the Lords on that has not yet been tabled.

We want all pupils to have access to a good local school. Today, there are more than 1.4 million more children in a good or outstanding school than in 2010. We are doing more to bring in and support excellent teachers, leaders and school sponsors in all parts of the country to turn around schools that are not delivering for young people and which are all too often attended by the most disadvantaged. We believe that all good and outstanding schools that have the capacity to do so should be able to expand to meet the demands of parents in their local area.

The noble Lord, Lord Storey, and the noble Baronesses, Lady Prosser and Lady Massey, asked how grammar schools will help with social mobility. Selective schools have a track record of closing the attainment gap, adding value for all children, but even more for the most disadvantaged children who attend them. That is why we want more disadvantaged children to have the opportunity to attend selective schools, and we want a commitment from those schools to take steps to ensure that disadvantaged children get places. However, we accept that grammar schools as they currently operate admit too few disadvantaged pupils and that they could do more to raise standards for all pupils in the areas in which they are based. That is why our proposals will ask them to do more.

We have been clear that this is not about returning to the binary system of old, but about creating a system in which new and existing grammars contribute in a meaningful way: improving educational outcomes for all pupils and increasing access for disadvantaged pupils.

More high-quality teachers are essential to lift the horizons of children who are not currently fulfilling their potential. We are continuing our commitment to develop teacher and leadership capacity. We recently announced a £75 million investment fund for innovative professional development projects aimed at strengthening teaching and leadership in the areas of the country that need this most, including the opportunity areas.

The noble Lord, Lord Addington, asked about sports bodies getting involved. We are doing this under our free schools programme. We recently approved a free school involving Saracens rugby club. We have a number of football clubs involved in AP schools, and we hope shortly to bring other sports clubs into the free schools programme. He also asked about progress on emphasising SEN. Following the Carter review, we have much strengthened ITT teacher training standards in relation to SEN. The new framework published in July includes explicit content on SEND that will improve the quality of training for teachers entering the system. In order to be awarded qualified teacher status, teachers must demonstrate a clear understanding of the needs of all pupils, including those with SEND, and be able to use and evaluate distinctive teaching approaches to engage and support those with special educational needs and disabilities. Trainees must also recognise signs that may indicate SEND and support those pupils' needs. Representative bodies in the sector are working on guidance to ensure—

Lord Reid of Cardowan: On that point, which I almost made earlier, will the Minister pay special attention to the growing indications and evidence that some children who have “suffered”, as it has been put, from social and educational disadvantage—particularly those on the autism spectrum or with Asperger's syndrome—are particularly well equipped, it seems, for tackling cyber and digital communications issues? This is important not only for them but for the nation: they seem to have a particular proclivity for contributing to the national development of cyberspace.

Lord Nash: I will take that point back. I remember, many years ago, visiting a high-end SEN boarding facility where I was shown two satellite photographs of Iraq and asked if I could spot the difference between them. I could not. The teacher said that neither could the computer. But one of our former pupils could. Representative bodies in the sector are working on guidance to ensure that the new framework is properly embedded by providers.

The noble Baroness, Lady Prosser, asked about our expectations for apprenticeship starts. We are taking action to support the growth of apprenticeships to meet our 3 million commitment, working with large and small businesses to begin or expand their programmes, setting new expectations for public sector bodies and through public procurement.

Measures proposed in the Enterprise Act will also protect the term “apprenticeship” to prevent misuse by providers in England, ensuring it is associated with high quality. Investing in a high-quality technical offer is not only the right thing to do; it is also important because we know that at least half the population do not choose to go down the route to higher education. For this reason, we must ensure high-value alternatives that serve students from all backgrounds, but in particular those from lower income families who are most likely to choose these routes. My noble friend Lord Holmes asked about the Institute for Apprenticeships; it will be fully operational by April 2017. The noble Baroness, Lady Prosser, talked about some employers finding it difficult to get access to schools to talk about apprenticeships; we are aware of this issue and we are considering how best to address it. Under our skills plan, young people will be free to choose between the academic and technical options, and they will be able to switch between them at key points. We want them to make informed choices based on the career they want to enter, not their social background.

My noble friend Lord Holmes and the noble Lord, Lord Storey, asked about careers guidance. Good careers education and guidance should give people access to the information and data they need to make informed decisions on education, training and employment options, including the routes into technical education, apprenticeship and higher education. Young people should have a good understanding of the world of work and the skills needed to do well in the labour market. A planned careers programme can help all young people to make important decisions, especially those from disadvantaged backgrounds who are still all too often held back by a lack of support. We know that the more interactions that school children have with the world of work, the more likely they are to do better in their studies. The noble Lord, Lord Storey, also asked when we plan to announce our proposals on careers. We have already done so, in the sense that we are investing £90 million in careers education over this Parliament, including funding the Careers & Enterprise Company to continue its excellent work, under the guidance of the very able young woman Claudia Harris. This organisation has made an excellent start and it will be looking particularly at the opportunity areas. Since August 2016, the company has appointed more than 1,100 enterprise advisers and 78 enterprise co-ordinators in its enterprise adviser network, connecting more than 900 schools in 37 out of 38 local enterprise partnerships.

We are investing £20 million to increase the number of mentors from the world of work to support 25,000 young people at risk of underachieving by 2020. This year, we have introduced destinations data which provide clear and comparable information on the success of schools and colleges in helping all their students take qualifications that offer them the best opportunity to continue in education or training. Primary Futures was mentioned—I have visited it and agree that it is an excellent programme for primary schools.

We also know that young people need access to wider experience and extra-curricular activities as well as the workplace. A lack of these experiences can widen gaps. Business has made it clear that the right

[LORD NASH]

attitudes and attributes matter much more to employers when recruiting than academic results alone. Supporting schools to develop well-rounded and resilient pupils is a priority for this Government and we are continuing to work with a range of partners to ensure that this happens. We should draw on the experience of schools such as Kings Langley in Hertfordshire, which I visited recently. From being in the bottom 3% of schools in the country in 2002, it is now flourishing and attributes much of its academic success to its focus on developing the character of all its students, with a particular commitment to three core values: stickability, self-regulation and empathy. It also has a very impressive programme of engagement with parents.

My noble friend Lord Holmes and the noble Lord, Lord Addington, highlighted the role of the National Citizen Service. We are working with the service to expand it considerably. We have just announced that it will benefit from more than £1 billion over the next four years, so that by 2021 it will cover 60% of 16 year-olds. I have to say that having personally been slightly involved when it was first established, I am delighted about this and must pay tribute to my noble friend Lord Wei who was involved in designing this programme. When he first explained it to me I have to say that I was a little sceptical, but he knocked it into shape and it is wonderful to see it flourishing so well. The independent Ipsos MORI evaluation found that 82% of pupils who attended it considered it very satisfactory.

My noble friend Lord Holmes asked about the opportunity areas, and what exactly they would do. We launched the opportunity areas to provide £60 million of additional funding to support social mobility coldspots. In these areas, we will focus our ideas and resources on young people. We will work with the local areas to identify the priorities and the action that needs to be taken. We expect this to include an increase in high-quality teachers in schools, summer schools run by local universities, advice for young people on what subjects to study to get into a good university, and introductions to employers to help them understand the world of work. They will also be given priority in existing schemes—for example, Teach First—and we will incentivise our best academy sponsors to work in these areas. We shall announce other areas in the coming months.

I now turn to the final points made by my noble friends Lady Jenkin and Lord Holmes regarding health and sport. Childhood obesity is the great health challenge of this generation. We have one of the worst records on childhood obesity in the developed world—one in five children leaves primary school obese. The Government's approach is to help children and families to recognise, and make, healthier choices and to be more active, supported by schools and the NHS. But we cannot do this alone, and everyone has a part to play to help children improve their diets, be more active and lead healthier lives.

As announced in the strategy, many new DfE policies are expected to make a direct contribution to reducing the incidence of childhood obesity, such as the doubling of the primary PE and sport premium to £320 million from September 2017. As well as this, there will be a review of school food standards to reduce sugar

consumption, and from September next year there will be £10 million per year to expand breakfast clubs, so that children have a nutritious start to their school day.

My noble friend Lord Holmes asked about the sugar tax. In the 2016 Budget the Government committed to using money from the sugar levy to double the sports premium from £160 million to £320 million. This funding is committed to 2020, and will help drive up the quality and breadth of PE and sport provision, and increase participation so that all pupils develop healthy and active lifestyles.

The increased funding for the premium will play a key role in helping to tackle childhood obesity. We are working with DCMS, the Department of Health and the sector to agree how this funding will be allocated, and are exploring the options for strengthening accountability arrangements and guidance, to ensure value for money.

I conclude by thanking all noble Lords for their contributions to the debate. There is no quick fix for social mobility—but we are committed to addressing the challenges that exist, so that we can make Britain a country that truly works for everyone.

4.32 pm

Lord Holmes of Richmond: My Lords, I thank all noble Lords who have taken the time to participate in the debate, not least my noble friend Lady Couttie, who made an excellent maiden speech. It is clear that, at whatever age and whatever stage, social mobility matters—and there are precious few policy areas that do not have a role to play. Security and stability are the bedrock of mobility. A nation where every individual, regardless of background, has the opportunity to achieve their potential: I believe that is a mission that we can all completely get behind.

Motion agreed.

Cyprus

Question for Short Debate

4.33 pm

Asked by Lord Northbrook

To ask Her Majesty's Government what is their assessment of the likelihood of a solution to the situation in Cyprus before the end of 2016.

Lord Northbrook (Con): My Lords, once again, after two years, I am pleased to have the opportunity to debate the Cyprus issue on the Floor of the House. Before I start, I have apologies from the noble Lords, Lord Hannay, Lord Sharkey and Lord Maginnis, and from the noble Baroness, Lady Hussein-Ece, for being unable to participate in the debate. The Minister, the noble Baroness, Lady Anelay, informed me that she had to be abroad in Paris, but I know that my noble friend Lady Goldie will be a more than capable replacement.

First, I draw your Lordships' attention to my membership of the All-Party Parliamentary Group for the Turkish Republic of Northern Cyprus—TRNC.

During my visit there in July, I met in particular the President, Prime Minister and Foreign Minister, so I had a good opportunity to form a judgment on how the peace talks are going. Sadly, I came away with the impression—I hope that I will be proved wrong—that major problems still remain which will prevent any settlement before the end of 2016, and may well make a settlement in 2017 speculative. The one important hope is that the good personal relationship between the two Presidents will finally achieve a result and prove me wrong.

I think it is useful to start with my July meetings. First, I saw President Akinci. He began with these opening remarks:

“I tell you very frankly that this is the last chance of our generation for a settlement”.

He then went on to discuss the major issues, which he set out as bizonality, political equality—although he did not say what this meant except in terms of a right to citizenship of essentially one Turkish Cypriot for four Greek Cypriots—and the need for security guarantees. Importantly, he said that the discussions had to be completed by the end of 2016 because, first, there will be a change of Secretary-General at the UN next year, which will cause delay as the new person will have to get to grips with the issue. Secondly, there will be a new US Administration with the same delay arising. Thirdly, there will be a new Greek Cypriot Administration in 2018, but the parties will start preparing for that in 2017. Fourthly, there will be the complications arising from the prospect of international companies drilling for natural gas in 2017 in the eastern Mediterranean, especially if Greek Cyprus starts doing separate deals with them.

In summing up, the President said, “But we have difficulties”. He cited, as a small example, the failure of two confidence-building measures: first, the reluctance of the Greek side to accept help without strings attached in the recent serious forest fire in the south; and, secondly, the unfriendly behaviour of the Greek Cypriot President Anastasiades in refusing to attend the Turkish President’s dinner, to which TRNC President Akinci had also been invited, on the outline of the UN humanitarian summit. To the outsider, these two examples may seem quite trivial but, as mood music, they are a good indicator of the suspicious atmosphere still prevailing on the Greek side in particular. At the end of the meeting the President took a sideswipe at the UK and said that, throughout the time from 1963, we as guarantor power “just watched”. I will come on to this area with questions to the Minister later.

The meeting with the TRNC Foreign Minister was different in tone and much more pessimistic. He essentially did not believe that there would be any solution, and when asked whether there was a plan B, said that five or six plans came to mind but he was not prepared to discuss them at this stage. He also had a swipe at the UK, saying that we did not wish to offend the Greek side due to our fear of losing our sovereign Army bases in the Greek part of the island. On that topic, will the Minister say whether we are planning to cede part or all our bases there if there is a successful settlement? On the plus side of the detail of the peace talks, the Foreign Minister said that there had been good progress in four areas—the economy, the EU,

property and governance and power-sharing. The most sensitive issues of territorial adjustment and security guarantees were being left to the end.

Reflecting on my visit, there seems to have been little progress since then. Time has moved on and at the end of October the sensitive issues remain the same. When both sides met at the UN in September, it had been hoped that the UN would be able to announce a multiparty conference to discuss security guarantees. However, President Anastasiades refused to accept this. Furthermore, he refused to agree to any future timetable for the talks. All that could subsequently be agreed to, according to President Anastasiades, is that there could be talks away from the island, in Switzerland, to discuss territorial issues in the first half of November—another example of timetable slippage. The UN special adviser, Espen Eide, has today said that the talks would provide clarity on whether a peace accord can be reached this year.

I myself received a sharp reminder of hostility from the Greek side when I received a letter from the consul-general in London at the Cyprus High Commission, Ioannis Koukoularides. He strongly criticised my July visit to Northern Cyprus. I wrote back that if he had read my speech in the debate of July 2014, he would have understood that I am anxious to see a solution to the Cyprus issue without taking sides between the north and the south. I added that, in that spirit, I went there to see how the peace process was going, and to listen and try to offer advice where appropriate from a neutral basis. The noble Lord, Lord Sharkey, the chairman of our group, subsequently wrote a letter to the high commissioner in London and I quote one particularly relevant part of it:

“It is not normally helpful for diplomats to write to parliamentarians in such strident and intemperate terms. It is particularly unhelpful when negotiations for a settlement are at such an advanced and sensitive stage”.

Does the Minister agree with him on this?

I now move on to the question of the UK’s role in helping the peace talks. I know what the Minister will say: that the UK cannot get involved in any details of the talks; that it is up to the Turkish and Greek sides to make their own agreement; that as long as our two military bases are secure, we do not need to get involved until the very end stages. Having considered this attitude carefully, I believe that it is wrong. There is a great opportunity to demonstrate that we can have some impact on the world stage behind the scenes by encouraging the Greek side in particular to show some urgency to achieve a settlement through a timetable and by explaining to it the benefits of a settlement. Does the Minister agree with this? The FCO could use my speech of July 2014 to remind it of these benefits.

Before my last debate, the FCO was very helpful and telephoned me to ask me if I had any issues that I would like it to clarify. This time, alas, there was no such luck. Following the departure of the excellent Jill Morris, our party chairman had an unhelpful meeting with Lindsay Appleby, who kept asking us for ideas rather than giving any from the FCO. When I telephoned the FCO this week, no one would discuss the issue with me. Perhaps Caroline Wilson, the new FCO Europe director could take note.

[LORD NORTHBROOK]

I turn to an analysis that I sketched out in my July 2014 speech and make no apologies for repeating it. This explains a key missing factor in current and previous peace talks. According to a paper from the well-respected Cyprus expert Alexander Lordos, research director for Cyprus 2015, one of his key explanations for the failure of peace talks current and previous is that the Cypriot public are not involved in the peace process. Lordos states that there had been an opportunity to add public opinion analysis to the Annan negotiating process: specifically, Professor Colin Irwin from Ireland was asked in 1998 if he could assist with such a programme. I quote from his book:

"I was invited to attend a meeting of the Greek Turkish Forum in Istanbul in December 1998 ... I made a presentation of my Northern Ireland work to the Greek and Turkish Cypriots present and explained how it was used to help build a consensus around the Belfast agreement. They subsequently decided they would like to undertake a similar programme of research in Cyprus ... although the Greek Cypriot negotiators wanted to go ahead with a poll the Turkish Cypriot Government did not ... in the end no polls were undertaken and without the benefits of an effective programme of public diplomacy both the negotiations and subsequent referendum failed".

The danger of secret negotiations, as are going on now, is that when the results reach the public, there can be a huge hurdle to cross to get them accepted.

Overall, I hope that the Minister will be able to stir the FCO to give the same impetus to the peace talks that she gave to the Scottish Conservative Party in her maiden speech as their leader, where she said in a reference to Lady Thatcher,

"I think you may take it that matron's handbag will be in hyper-action".

Will she apply this also to the FCO Cyprus department, so that the UK can play its part in achieving a solution?

Lord Lester of Herne Hill (LD): Before the noble Lord sits down, perhaps he could address what I am about to say. I have to declare a professional interest because as counsel I have appeared for the Government of the Republic of Cyprus against Turkey in various cases in the European Court of Human Rights and, for that matter, in the Committee of Ministers—so from that point of view I am one-sided. The noble Lord has not said a single word to indicate that he understands the Greek Cypriot point of view about the invasion, the failure of Turkey to honour judgments of the European Court of Human Rights, or the property issues and its failure to comply on those. Would it not be sensible for him, as an advocate on one side, to show some recognition that there are two sides to the story?

Lord Northbrook: I thank the noble Lord for his question. When the consul-general wrote to me I replied saying that I would be pleased to have a discussion with him to give a balanced view of the situation—to which I had no reply.

4.45 pm

Lord Balfé (Con): My Lords, I, too, declare an interest as a long-standing visitor to both sides of Cyprus, although probably I have been more frequently to the north than to the south. This has gone on for

the last 25 years, during which I have increasingly despaired of any solution being found. None the less, like my noble friend Lord Northbrook—I was there slightly after him this summer—I, too, had the pleasure of a one-to-one meeting with the President, the Prime Minister, the Deputy Prime Minister and the Foreign Minister.

My noble friend outlined exactly the President's attitude so I will not repeat it. I asked all four, "What is your plan B?". The President said, "I have no plan B. This either has to work or the whole thing dissolves. There is no plan B". It was interesting that two other broad plan Bs came out of conversations with the Prime Minister, in particular, and the Deputy Prime Minister and the Foreign Minister. One is that they have some sort of Channel Islands solution. In other words, the Turkish Republic of North Cyprus becomes a Channel Island to Turkey, which formally—it already does actually—takes over responsibility for defence and foreign affairs, and North Cyprus effectively has home rule. Of course, as the politicians pointed out to me, they have an English-based system of justice—quite a different legal system from that of the Republic of Turkey—so it would make quite good sense for them to have that status.

The other solution that was put forward, particularly by the Deputy Prime Minister, which is probably the most sensible in the long term, is that if the negotiations break down, they should just clearly state: "There will be no further talks for 10 years, and we will get on with making this northern part of the island work somehow or other".

That will work. Having been in North Cyprus for the first time in the late 1980s and intermittently since then—probably six or seven times—I have noticed the way in which it has developed: the new building, the way in which they have solved the water problem, and the developments as they have moved forward. North Cyprus could survive and even prosper without the island being reunited. So it is not the end of the world if these talks fail—although I share the President's hope that they succeed. However, I feel quite strongly that if they fail, that has to be it. We cannot go on, year after year, having abortive talks and not getting anywhere.

In the event of what I call the 10-year solution, groups such as the Organisation of Islamic Cooperation have to come much more firmly off the fence and give North Cyprus, if not complete recognition, at least more hope than they do at the moment. However, in fairness to Islamic states, there has been a reasonable input from them into North Cyprus—they are clearly friends of North Cyprus—as of course are the Israelis. There is quite a bit of Israeli investment in North Cyprus, particularly in the gambling industry. But if things do not work, we will need to build an alternative.

My noble friend Lord Northbrook has already mentioned the discussions on territory and property, which will take place in Switzerland during the course of the next month. These are quite crucial. It is no good pretending that North Cyprus can find millions and millions of euros to pay huge amounts of compensation. The money is not there. If we want compensation to be paid, let me ask the Minister:

who is going to find the money? It can be found only by the European Union, the United States or the United Kingdom—but it does not exist in North Cyprus. It is no good sending them bills. It would be like sending bills to the debtors' prison. There is no money in the bank. I believe a famous Labour politician left a note for a famous Tory politician to find when they came into office: "I'm sorry, there's no money left".

If a solution is wanted, I believe that it can be found. However, I am not sure that a solution is wanted. My noble friend Lord Northbrook was rather kind in quoting from his letter. I wonder if he would mind if I quote the opening sentence of a letter from a diplomat to a Member of this House:

"Dear Lord Northbrook, I am writing with regard to your recent visit to the occupied part of Cyprus. I understand you visited Cyprus on the despicable anniversary celebrations of the Turkish mass murdering invasion of 1974".

I am sure the Minister will agree that, were a sentence like that to be found in a letter written by a British Foreign Office official, it would not be accepted as the norm for diplomatic discourse. It is way out of line. If we want to put it in perspective, let me quote yesterday's *Financial Times*, which I think summed it up brilliantly and accurately:

"Cyprus has been split along ethnic lines since 1974, when Turkey invaded and occupied its northern third in response to an Athens-inspired coup aimed at uniting the island with Greece".

I think that is very accurate—and it is what we are up against. In my view, many of the protagonists on both sides are not looking for a settlement. They are looking more for a propaganda coup. But they are talking to their own sides. The Greek side believes what it wants to believe about the Greek negotiating position and how good it is, and the Turks believe that their future lies in Turkey.

President Akinci is actually an extraordinarily brave person. There are a lot of people in the Turkish Republic of Northern Cyprus who agree more with the views of his Foreign Minister and Deputy Prime Minister: "let them get on with things; we are going to survive here; we do not need a settlement". So the President is doing very well. However, both sides have to want a settlement for it to work—and, with letters like that from the Cyprus High Commission, I am not sure that all sides are on board.

Since I have got the Floor, I will also say that North Cyprus itself needs to do a bit of sorting out. For some time now, I have been following a case that has been 10 years in the Cyprus legal system. I had an assurance from the President in July that there would be a letter, but I have heard nothing. If North Cyprus wants to come in from the cold, it needs to sort out its legal system—and, frankly, it has got to learn to reply to letters. This is not an acceptable way of running things.

Finally, we have Brexit on the horizon. It is not something that I voted for, but I believe that it gives us an opportunity to reverse the situation caused by the ECJ judgment of 1994. North Cyprus needs freer access to trade and I hope that, as part of the Brexit negotiations, we will set aside that judgment and play our part in helping the Turkish Republic of Northern

Cyprus to come in from the cold so that all its citizens do not have to live in Tottenham but can travel between the two.

I see that the noble Lord, Lord Deben, clearly does not agree with me. I am sure that he will make his feelings clear to me in private as he is not on the speakers list. As I said, this is a somewhat divisive subject and there are people on both sides. Let us hope it can be solved.

Lord Lester of Herne Hill: Before the noble Lord sits down—

Lord Young of Cookham (Con): I understand that in time-limited debates it is not usual to make repeated interventions.

4.56 pm

Baroness Berridge (Con): My Lords, it is sadly rare, late on a Thursday afternoon, to speak of potential good news in the eastern Mediterranean, and it is hard not to get excited, but others may say, as my noble friends have, that we have seen this before. However, as the invasion is not in the conscious memory of anyone of my age or generation, perhaps I may be forgiven for expressing some optimism. It is not an event studied by many British schoolchildren in their history classes.

Many people probably do not know that here within the EU is the longest UN peacekeeping mission in the world. When one meets refugees from Northern Cyprus and travels to the island, as I had the privilege of doing this year, seeing the checkpoints in the UN buffer zone and the sandbags still blocking the streets brings home for the first time the human cost of this divided island. The sight of the deserted, formerly glamorous, resort of Famagusta, the children who left their homes during the war and who now, as adults, want to return home to their birthplace before they die, and the ongoing significant economic effect for those living in the northern part of the island are important drivers for peace.

However, the current global security situation has also highlighted that in today's world, having irregularly governed territory is a risk to everyone's security. The TRNC, which is recognised only by Turkey, is not a nation state and is seen by many as an irregular back door to the European Union. More than 40 years since the invasion, it has periodically caused significant problems for other countries, including the UK, when it has been used by criminals to hide out. Ports within non-recognised international territory also present opportunities for illegal trading in drugs, art and people. Therefore, it is not only because of our role as the previous guarantor of this island that it is in our interests for there to be peace in Cyprus.

Although the UK has stepped aside from its role as guarantor and has given it to the EU, I would be interested to know Her Majesty's Government's view on Turkey's continued insistence on remaining in such a role. Will our Brexit change of status in relation to the EU have any effect on the current position? I join my noble friend Lord Northbrook in also being interested in knowing the position of the British Overseas Territories during any negotiation.

[BARONESS BERRIDGE]

However, if there is one thing that the previous attempts at peace have shown us, it is that a political agreement by the political leaders is not enough—not only because any peace deal will have to be put to the people in a referendum but because, for a sustainable situation and for peace to endure for communities, the people also have to make that peace. I think that here too there are grounds for optimism, as there have been many civil society projects over many decades bringing the young people of Cyprus together for ordinary human contact.

Also, an interesting piece of research in the early 2000s revealed that some of the leaders who needed to be persuaded to become more involved in the peace process were in fact Cyprus's religious leaders. Although primarily a political issue, one must not forget that Cyprus, like Jerusalem, features in the earliest life of the world's two major faiths: Christianity and Islam. The Republic of Cyprus is 90% Greek Orthodox and the TRNC is 98% Sunni Muslim. As the newly appointed EU Special Envoy for the promotion of freedom of religion or belief outside the EU recently said:

"Religious leaders often have a bigger say than political leaders".

The UN special rapporteur on freedom of religion or belief relating to Cyprus said:

"While ... Cyprus ... is not per se a religious conflict, all cooperation between the religious leaders had stopped when the bi-communal conflict",

was exacerbated 50 years ago. Research has shown that the Office of the Religious Track of the Cyprus Peace Process, which sits under the auspices of the Swedish embassy and the UN, has been highly successful in facilitating the repair of places of worship and enabling mosques in the south and churches in the north to be used for services for the first time in decades. On 18 October 2013, the Grand Mufti of Cyprus crossed the green line and conducted for the very first time a service in the Hala Sultan mosque, near Larnaca. His entry into the republic was personally facilitated by the Archbishop from the Republic of Cyprus.

Before 2009, 500 churches and monasteries in the north were derelict, looted or used for other purposes, and only eight out of the 110 mosques in the south were operating. However, between December 2013 and June 2014, the UN facilitated 48 religious services and commemorative events and 98 intercommunal harmony events across the border zones. On 16 September last year, a meeting was held at the Ledra Palace Hotel in the UN-controlled buffer zone, which was attended by the President of the Republic of Cyprus, the leader of the Turkish Cypriot community and the five religious leaders of the island as a whole.

As one of the key issues for the peace talks is property, it is very important that much progress has been made with regard to religious buildings. It could form a model for the restoration of property following any peace settlement.

Psychologically, people returning to the place of worship that they knew could form the first step in healing and preparing them—if one can ever be prepared—for walking back into their home to see

where they left the cutlery in 1974. This is the reality for many thousands of people, and will never be easy.

It perhaps goes without saying that, at this time more than ever in recent history, the reunification of Cyprus is needed for the region. Again, as the UN special rapporteur has said, Cyprus could be a "model" for the Middle East. The involvement of religious leaders in peacebuilding that I have outlined is necessary for any lasting peace, and could be a model strategy for the FCO, UN, Commonwealth and others when peace does come. I mention the Commonwealth not only in passing. Currently, the Commonwealth Ministerial Action Group is chaired by the Foreign Minister of the Republic of Cyprus. It is hard to overestimate, both within the Commonwealth and in that region, the effect if peace could be achieved—particularly peace as I have outlined—involving leaders from the Christian and the Muslim community. As my noble friend has correctly mentioned, to have secret negotiations that you then have to take to the people can be problematic.

In light of what I have outlined, can the Minister request a place in these secret negotiations for the religious leaders who have been involved in this twin-track diplomacy? I do not expect the Minister to be able to disagree with the outline of the UK Government's position as presented by my noble friend Lord Northbrook, but can she say what role the Commonwealth can play in these peace talks if the UK Government are unable to change their formal position?

I hope I have outlined that, even if there is no political agreement and settlement, all is not lost and we have a valuable model of engaging religious leaders in a peace process that can hopefully be used across the region where it is most desperately needed.

5.04 pm

Lord Collins of Highbury (Lab): My Lords, following Cyprus's independence from the UK and as a former guarantor of the 1963 treaty, we obviously have a close interest in the negotiations, as the noble Baroness, Lady Berridge, said. The Prime Minister, Theresa May, recently underlined the UK's steadfast support for the process of negotiation and said that,

"the UK stood ready to help bring this to a successful conclusion".

Apart from the Prime Minister's recent meeting with President Anastasiades, will the Minister tell the House the extent of the UK's practical involvement in the negotiations? What sort of advice and support have we been giving through this process?

As we heard in the debate from a number of noble Lords, with Mustafa Akinci's election in April 2015, we have, for the first time since Greek Cypriots rejected the Annan 2004 reunification plan, two community leaders with the political will and commitment to reach a settlement and a solution. That is something we should not underestimate. As we have heard, in May 2015 the UN special adviser, Espen Eide, announced that the restarted negotiations had yielded their first tangible results, with decisions to open new crossings and interconnecting electricity grids on the island. Those are practical steps to reunification that again should not be underestimated.

The talks are based on an agreed formula of a unified state of Cyprus—a state, of course, which is a full member of the European Union—with a single sovereignty, single international personality and a single citizenship in a bicomunal, bizonal federation with political equality, as described in a series of United Nations resolutions. The problematic issues, which we have heard described in the debate, include power-sharing, with one side favouring more power with the federal Government and the other keeping as much as possible in the two constituent parts. There is also security, with the status of Turkish troops and the 1960 treaty of guarantee; residence and citizen rights of settlers from mainland Turkey; and the property issues that the noble Baroness outlined—there are thousands of claims to ownership of properties from people displaced during the events of 1974.

As we have read in the excellent briefing from our Library, this year both leaders completed an intensive phase of meetings, reiterating their determination of reaching a comprehensive settlement agreement in 2016. The noble Lord, Lord Northbrook, outlined why we have that timeframe and some of the conditions. I will return to the timeframe later.

After the 14 September meetings, both leaders then held a joint meeting with the UN Secretary-General on 25 September in New York, following which Ban Ki-moon welcomed their commitment to intensify efforts to reach the goal of a settlement in 2016. The fact that this meeting took place at all was a breakthrough. In the 16 months since this latest round of peace talks began, the two men have only ever met together with Ban Ki-moon on one other occasion. However, in press reports I read yesterday, President Anastasiades said that,

“it looks like many decisive convergences have been achieved that allow us to say that we can, under conditions, hope for an overall proposal for a settlement in the next few months”.

He went on to say, however, that he is not certain if developments will proceed the way everyone hopes. This, he said, does not depend on their commitment but on the determination and the implementation of a rhetoric that wants Turkey to pursue a solution. It is the sort of language that we have heard a lot of over the past 20 years. He said that this will depend and will become more evident at the forthcoming meeting on the territorial issue, which will take place possibly, as we have heard, in Switzerland.

I ask the Minister what assessment the Government have made of the likely success of these further talks, bearing in mind the comments of President Anastasiades. In the same report he spoke of creating a state that was based on the principles and values of the EU and will be functional and viable, allowing everyone to live wherever they want and to give, at last, the right to refugees to find their homes. He said he would not fail to knock on the door of anyone, especially the permanent members of the Security Council, to persuade them of the lawful right that no guarantee or the right of intervention is justified in a modern European country.

He expressed the belief that it would be inconceivable and a humiliation for Europe and for every European if a European state requires the guarantee of a third country, not that of Europe. Of course, in terms of the

timeframe we are facing on these talks, we have the Cypriot presidential elections in early 2018. If there is a solution with potential referendums within that period, the UK will be preoccupied with Brexit. At Theresa May's recent meeting with President Anastasiades, this issue was fully discussed, according to the subsequent Downing Street press release.

What is the Government's assessment of the impact, if any, that Brexit will have on the negotiations over the Cyprus issue? Does the Minister believe that it will affect the 1963 treaty obligations? What assurances did the Prime Minister give to President Anastasiades on the legal rights of EU nationals already in the UK once we leave? On process the Prime Minister explained, according to the Downing Street press release, that we are currently preparing for the negotiations and therefore will not trigger Article 50 before the end of the year. Of course, we know that timetable has been revised. President Anastasiades extended an invitation to the Prime Minister to visit Cyprus. Will this be undertaken prior to Article 50 being triggered?

Some divergent views have been expressed in the Chamber today. The fact is, we can never undo the injustice that was done to the 200,000 people of Cyprus driven from their homes in 1974 and still living with that injustice today—seeing other people living in their homes, running their businesses or just leaving them to rot, as the noble Baroness indicated in terms of one of the once-prosperous seaside resorts. The injustice cannot be undone, but we can hope that the next generation of children will not have to live with the division and the injustice which their parents and grandparents had to face. We can hope that, given the leadership shown by both leaders—and it is no longer a vain hope—these children will grow up in peace and security in a united and democratic Cyprus.

5.14 pm

Baroness Goldie (Con): My Lords, I am grateful to my noble friend Lord Northbrook for calling this debate and to other noble Lords for their contributions. I know that they maintain a close interest in, and reflect an extensive knowledge of, Cyprus—that was manifest in their contributions. I commend their continued support for efforts to bring lasting peace to the island.

A settlement is in the interest of all Cypriots. The contributions from your Lordships today have served to underline that it is in the UK's interest, too. The Government are fully seized of this and are actively engaged in supporting both sides in their search for a solution, as I shall set out.

The Government believe that there has never been a better opportunity for peace in Cyprus. This is down to the unstinting efforts of the leaders of the two communities, President Anastasiades and Mr Akinci, who have given hope and wrestled with undeniably complex problems. I pay tribute to their courage, their commitment and their leadership. I feel that there is justification for a degree of optimism, having regard to the challenging difficulties that the island of Cyprus has faced.

The noble Lord, Lord Collins, sought clarification of the United Kingdom's role in relation to these discussions and attempts to reach an agreement. I reassure

[BARONESS GOLDIE]

him that my right honourable friends the Prime Minister, the Foreign Secretary and the Minister for Europe and the Americas are in touch with all the key players, not only on the island but in Turkey and Greece. We believe that they share the same ambition to reach a settlement.

The leaders recently reaffirmed their commitment to reach a solution by the end of 2016. No one should underestimate the scale of the challenge, but with courage and compromise we believe that reaching a deal in this timeframe is achievable. The United Kingdom will continue to support the leaders as they seek to make this aspiration a reality.

I say in response to the noble Lord, Lord Collins, that United Kingdom support includes practical measures. We have reiterated our offer, originally made in 2004, to cede almost half the land of the UK sovereign base areas to a reunited Cyprus. The Government have looked at this carefully. I can assure your Lordships that this offer will not adversely affect the ability of the bases to carry out their vital work to promote our security and that of the wider region. I hope that that answers the question posed also by my noble friend Lord Northbrook.

The United Kingdom also has a specific role to play as a guarantor power in the search for a settlement, alongside Turkey and Greece. The Government stand ready to play their part when asked to do so by the two sides. It is important to say that it is not for us to dictate what those arrangements should be. Rather, we will continue to support efforts to find a solution that allows both sides to feel safe.

The United Kingdom is also playing a role as one of the largest troop contributors to the United Nations peacekeeping force in Cyprus. I pay tribute to the dedication of the British troops and the more than 100,000 soldiers from 39 countries who have served in the mission to date. British troops have been there from the beginning, since 1964. The United Kingdom, together with Australia, is the only continuous contributor since the mission began. This demonstrates the UK's long-term commitment to Cyprus, but more than half a century of peacekeeping also serves to highlight the pressing need to find a lasting solution.

The United Nations plays a key role in supporting the efforts of the two leaders in their search for peace. I pay tribute in particular to Special Adviser Eide, as well as to outgoing Secretary-General Ban Ki-moon for the personal attention that he has given to the Cyprus talks. I take this opportunity to congratulate his successor, António Guterres, on his recent appointment. I am confident that he will continue the good work of his predecessor.

The benefits of a Cyprus solution are clear, economically and politically. A united Cyprus would increase prosperity both for Cypriots and the wider region for three main reasons. First, a united Cyprus would have a larger and more efficient economy. Secondly, it would create a more stable investment climate and enable greater trading opportunities with Turkey and the wider Middle East. Thirdly, it would be able fully to exploit its natural resources for the benefit of all Cypriots.

According to analysis by PRIO Cyprus—an independent bi-communal research centre—the peace dividend for a united Cyprus could reach €20 billion over 20 years, and average annual incomes could rise by as much as €12,000 within the same period as a direct consequence of settlement.

The benefits go wider than the economy. A reunited Cyprus would not only provide greater stability and security for Cypriots but contribute to wider regional security. At a time when others are trying to sow discord and division, a peace settlement in Cyprus would stand out as a model of courage, tolerance and inter-communal cooperation—a country at peace with itself and its neighbours and a beacon of stability in a sometimes difficult region.

I turn to some of your Lordships' specific contributions. My noble friend Lord Northbrook raised the role of the UK. I think I have partially covered that in my speech. The UK is sensitive to the need to recognise that only the Greek Cypriots and Turkish Cypriots can negotiate an agreement. The UK is supportive, but not intrusive. We want to encourage, but not to interfere. To my noble friend Lord Northbrook, I say that I shall have to be circumspect about the use of my handbag.

My noble friend Lord Balfe made a speech in which he balanced optimism with pessimism, but he rightly identified economic potential. In response to his speculation about the consequences of the talks failing I would say that we are in the business of wanting, for both sides, the talks to succeed. We are trying to support as best we can what we see as a positive development offering a better prospect for both communities in Cyprus and a more hopeful future. In fairness to my noble friend Lord Balfe, I thought that he ended with a more upbeat prognosis.

My noble friend Lady Berridge, in a very constructive and positive contribution, raised a number of issues. In particular, she asked what would be the role of the Commonwealth in relation to a reunited Cyprus. The Republic of Cyprus is currently in the Commonwealth, so the assumption is that a united Cyprus would also be in the Commonwealth. However, although Cyprus is a member of the Commonwealth, that organisation has not had any direct role in the talks, because, as I indicated, it is up to the two leaders to decide how best to conduct the negotiations and when and how to involve others.

My noble friend Lady Berridge also raised the issue of the military bases—the sovereign base areas. They will remain, although, as I indicated earlier, we have offered to cede almost half the territory of our sovereign base areas to a united Cyprus if an acceptable agreement can be reached by the two communities.

On the question of guarantor powers, which my noble friend also raised, security and guarantees will be discussed as part of the settlement negotiations. It is not for the UK to dictate what the outcome should be, but just to continue to support efforts to find a solution which allows both sides to feel safe. While no agreement exists, the guarantor powers system remains. I was also much encouraged by my noble friend's comments on the activity of the faith communities on the island of Cyprus.

The noble Lord, Lord Collins, asked two questions. First, he asked what assessment the UK has made of off-island talks in the near future. I simply repeat our role: we wish to encourage, we do not want to interfere. We want to support, but we have no desire to intrude. He also asked whether Brexit will affect the UK's role in settlement talks. The ongoing talks to reunite Cyprus are led by the leaders of the two on-island communities and facilitated by the United Nations. The UK's role as a guarantor power under the 1960 Treaty of Guarantee and as a permanent member of the United Nations Security Council is unrelated to the UK's membership of the European Union. This is an objective that we wish to see attained and which we think would be very good for both communities on the island.

I will finish by saying that the Government believe that a deal by the end of the year is achievable. The

two sides, facilitated by the United Nations, are working tirelessly to make it happen. The UK commends their efforts, and we will do what we can to help. As I have said, the main beneficiaries of a deal will be the Cypriots themselves, but ultimately we all stand to gain.

We do not underestimate the difficulties. There will be tough choices to make. All parties will need to show courage and will have to be willing to compromise. But we firmly believe that the rewards will outweigh the sacrifices. I urge the leaders and the two communities to seize this opportunity for lasting peace. I assure your Lordships that the Government will remain steadfast in their support of both parties at this critical time.

House adjourned at 5.26 pm.

Grand Committee

Thursday 27 October 2016

The Deputy Chairman of Committees (Lord McFall of Alcluith) (Lab): My Lords, welcome to Grand Committee.

Superfast Fibre Broadband *Question for Short Debate*

1 pm

Asked by Lord Foster of Bath

To ask Her Majesty's Government what plans they have to ensure the rollout of superfast fibre broadband to homes across the country.

Lord Foster of Bath (LD): My Lords, I am grateful for the opportunity for this short debate and to other noble Lords who will participate. I hope to argue that we are in danger of overselling how well we are doing on broadband rollout and that as well as promoting more use of fibre we need to do more to stimulate demand.

I begin by declaring that I live in the wilds of rural Suffolk, in a home as yet untouched by superfast broadband. I am not alone in having broadband difficulties—eight days ago, the DCMS's connectivity Minister, Matt Hancock, addressing the Broadband World Forum, said, "This Friday I appeared on our local news programme with positive stats about broadband in Suffolk, but at the time I was on my hands and knees under my desk trying to fix my wifi, and it stayed off all weekend". I know the feeling.

Yet as the LGA has said, broadband is a vital element in our everyday lives, as we shop and pay our household bills online, access our bank accounts and stay in touch with distant friends and relatives. Excellent digital connectivity is also a major driver behind growth, jobs and the creative industries. Without high-quality broadband services, residents will be increasingly cut off from digital local and central government services, including major programmes such as universal credit. Fast broadband services are also essential for all rural businesses, enabling them to reach their full potential by competing online.

Of course, many homes and businesses are more fortunate than I am in rural Suffolk. Indeed, it is quite easy to paint a rosy picture about how far we have come with broadband rollout. In the UK, more than 99% of premises have access to basic broadband, at 2 megabits per second—that is the best in the G8. About 90% of premises have access to broadband speeds of over 30 megabits per second—that is the highest of the big five EU economies, 8% higher than our nearest rival, Germany. By the end of 2017, it is confidently predicted that 95% of premises will have access to superfast broadband, being defined as 24 megabits per second and above. It all sounds pretty impressive and the Government's plans in the Digital Economy Bill for a universal service obligation, clamping down on poor service providers, and the introduction of an easier system of changing service providers, as well as completing the 4G mobile rollout, should help make the picture look even rosier.

However, if we look more closely, the picture is less rosy. Take, for instance, the language that is used: the Government define superfast as broadband with download speeds of 24 megabits per second and above. However, across Europe superfast means 30 megabits per second and above, and even our own regulator, Ofcom, uses this higher-value definition. As my noble friend Lord Fox will discuss, download speeds are one thing, but what about upload speeds, which are so important for businesses?

What exactly is meant by "access to"? Access to superfast broadband is one thing, but having superfast broadband operating in the business or home is another. For example, only 30% of premises that have access to BT's Openreach superfast broadband are using it. That is partly due to BT investing in fibre to the cabinet, but often not using fibre for the onward connection to the premises. So there may be a superfast cabinet nearby, but the connection to it from the business or home is usually copper rather than the far more efficient fibre. The degradation along the copper wire means that the so-called accessible superfast speed is nowhere near that at the premises.

BT's efforts, such as long reach VDSL, to get faster speeds along copper may help, but compared with many countries across Europe we score low on fibre to the premises deployment. No wonder the CMS committee in another place said in July:

"The UK is a laggard by international standards in providing fibre connectivity".

It talked of a lack of ambition in terms of fibre to the premises. With faster connections from cabinet to the premises like those offered by Virgin, the take-up is 42% instead of 30%. With full fibre to the premises it is likely to be even higher.

Of course, I welcome the exciting fibre optic developments by, among others, CityFibre, Hyperoptic and even BT, but we need a strategic shift to encourage fibre to the premises solutions for homes and businesses. In his speech, Matt Hancock, said, "fibre is the future", and I look forward to hearing the plan for its realisation. We also need concrete action to promote new mobile technologies to play a critical role in enhancing the UK's connectivity such as in remote areas, in on-the-go uses like self-driving cars and even in broadcasting. The UK should lead the world in 5G and the Government need to seize the opportunity in the 5G strategy that they have promised to publish next year.

However, it is clear that, even when truly superfast broadband is available in their homes, in businesses and on the go, far too few choose to take up the opportunity—not least older and less affluent people, who make up a high proportion of the 30% of the population who are non- or limited users of the internet. Higher take-up means lower unit costs. More importantly, as the Tinder Foundation and others have pointed out, only when we have a very high take-up rate can we achieve the huge benefits to individuals, businesses and the nation that superfast broadband offers. To date, the Government's strategy has been to concentrate almost exclusively on encouraging, and partly financing, the development of superfast broadband structures. But a connected Britain is not just about the availability of superfast broadband. Driving take-up is just as

[LORD FOSTER OF BATH]

important, and there has been a lamentable failure to address demand management. As a result, digital inclusion has already become a huge missed opportunity. Far more should have been done and now needs to be done to drive up demand through skills training, through marketing the benefits, by addressing barriers such as cost and by developing quality technology and content.

Of course I welcome the work being done by many others, such as BT, local councils, the BBC—through its Make It Digital programmes and apprenticeship schemes—and Barclays. But we need more, not least because the lack of digital skills is becoming a real constraint to economic growth. Indeed, 90% of all new jobs require digital skills, yet nearly three-quarters of large UK companies already say that they are suffering from gaps in digital skills. The recent government announcement on digital skills is welcome, but it is not a silver bullet and it does not go far enough. Without intervention beyond what is currently scoped, it is estimated that there will still be 7.9 million adults without basic digital skills in 2025. We need nothing short of a digital skills revolution.

Far more needs to be done to explain the benefits of getting online. The digital TV switchover was a great success, helped enormously by a brilliant marketing campaign. We need something similar to drive online take-up. The BBC's iPlayer is already recognised as a great demand driver, and I welcome new connected TV services, from the likes of Freeview and Freesat, giving consumers catch-up TV for free from all our public service broadcasters. But more needs to be done to encourage new and exciting technological developments and high-quality content.

Furthermore, we have to address cost. Some 26% of non-users say that it is too expensive to have the internet at home. BT customers on benefits can have BT's Basic + Broadband, but not all internet providers have such schemes. Last week the LGA, in its submission to the Government's consultation on the Autumn Statement, called for all poorer households to get subsidies for fast broadband—as a social tariff. I hope very much that the Government will consider it part of their plans for the new universal service obligation. Following the freezing in October 2015 of the Government's voucher scheme to help small businesses get online, it would be good to hear what the Government plan as its replacement.

Like water and electricity, reliable, superfast broadband should become universally available, and all our citizens should know what it can do and have the skills to benefit from it. Much has been achieved and more is planned, but unless we raise our ambitions still further, move from copper to fibre and address the demand management issues of skills, marketing, cost and content, the full potential will not be realised. I look forward to hearing the Minister's reactions and details of the Government's plans.

1.10 pm

Baroness Pidding (Con): My Lords, I thank the noble Lord, Lord Foster of Bath, for initiating this debate. When it comes to the challenges of rural broadband, at least for the humble end user, I can speak from

first-hand experience. My partner and I are regular visitors to a lovely corner of deepest, darkest Devon and, even for visitors, the frustrations of a poor internet connection are very real. I can only imagine how much worse it is for residents. I am very pleased that the Prime Minister acknowledged the importance of rural broadband provision at the Conservative Party conference earlier this month. Not only is it a matter of basic fairness that country dwellers should have the same access to something so important, but greater connectivity is essential to unlocking the economic potential of rural areas.

The Brexit vote has made these arguments even more compelling. Not only did the result highlight deep divisions between our plugged-in cities and their rural hinterlands but we must now pull out all the stops to make the British economy as competitive as we can. Just as the canals and railways allowed the industrial revolution to flourish, so I believe will our broadband infrastructure prove the essential foundation for a globally competitive economy in the 21st century. According to the Countryside Alliance, 82% of adults believe that in the 21st century superfast broadband should be considered an essential utility, like water or heating. A similarly high proportion believes that investment in internet infrastructure would have a positive impact, more than the percentage that says the same for much higher-profile projects such as HS2 or a new runway. It is not difficult to see why.

We increasingly live in an online age and the Government are rightly trying to take advantage of the opportunities afforded by new technology to make their services available online, replacing long waits on the phone or mountains of paperwork with websites which can be accessed 24 hours a day, but it does not matter how impressive the Government's digital services are if the national hardware is not up to scratch. For example, HMRC apparently expects all tax returns and PAYE to be completed online. Farms and other rural businesses that do not have access to adequate internet facilities have no choice but to shoulder additional costs by hiring an agent or adviser to fill in online forms for them. This is not a small number of businesses. A National Farmers' Union survey found that 90% of respondents lacked reliable broadband while 40% had none at all and, according to the Federation of Small Businesses, half of rural SMEs are dissatisfied with their broadband connection. That is more than double the share of urban SMEs that feel the same. Such figures are deeply concerning, especially when research by McKinsey finds that businesses that have a proper online presence are growing twice as fast as those that do not.

If we are to make a success of Brexit, we need the entire economy to be firing on all cylinders. It would be foolish to strike out into the world without properly equipping ourselves for the challenge. Digital connectivity is part of this challenge. It is very important that we get ahead in this issue, otherwise the UK might find itself spending a lot of money delivering yesterday's solutions to rural people as the cities embrace the next wave of new technology. The Government are clearly taking this issue seriously and I am sure that many of their proposals will be welcomed by rural communities, in particular the universal service obligation of 10 megabits

per second and the commitment that 95% of UK households will have superfast broadband almost two and a half times that speed by 2017. However, what about those rural areas where the speed is currently under 2 megabits per second? Can we not start with these?

I recognise the importance of mobile internet so I am particularly pleased by the commitment to see 4G services rolled out to 98% of the population as part of BDUK. However, what about the other 2%? That 2% represents 1.3 million people who will be missing out.

Before this House can be satisfied that we really are building the state-of-the-art, future-proof, comprehensive and accessible internet infrastructure that this country needs, there remain questions to answer. I would like to hear a clear plan from the Government for how they intend to identify so-called not-spots—gaps in the coverage of the network. We must remember that poor connections can affect all sorts of areas and are not limited to the most remote communities and households. A good start would be reform of planning laws and the electronic communications code to make it easier for providers to build the infrastructure they need, while the Church of England's decision to allow 10,000 rural churches to use their spires as wireless beacons is a welcome and imaginative one.

I would like to see much more concrete evidence that the plans for mobile broadband will really deliver the coverage that rural businesses and communities need. I am also keen to hear how the Government intend to ensure that their rural internet solutions are sustainable. It is little use spending a lot of money to achieve equality today if cities retain structural advantages that will allow them to race ahead tomorrow. The Government must demonstrate that not only will the network they are delivering bring the countryside up to speed today but it will allow it to keep pace in the future.

1.16 pm

Baroness Scott of Needham Market (LD): My Lords, like the noble Baroness, I shall focus on the question of rural broadband services and, like my noble friend Lord Foster, I am doing that from the perspective of someone who lives in Suffolk.

Lord Foster of Bath: Overrepresentation.

Baroness Scott of Needham Market: Overrepresentation of our lovely county, indeed. I live in a very small village, and it is a mark of how village life has changed that when we come together for our social events one of the main topics of conversation is how bad the broadband is and how it has taken all night to download a two-minute YouTube video. I accept that the joint efforts of BT and the Government have taken us to a position where almost all households now have access to basic broadband, but I also agree with the proposition that in today's world that simply is not enough. I note that the Countryside Alliance estimates that 48% of rural premises are not able to reach the speed envisaged in the USO.

Rapid digitalisation has meant that a whole range of rural services now require a good broadband link. As the percentage of households covered by superfast

broadband increases, so that digitalisation gains pace. That means that a small minority of households run the risk of being left behind. I also observe that, as the assumption is made that households have superfast broadband, the functionality of the websites themselves has changed. What looks like an exciting and thrilling website to some people is actually a nightmare if you are trying to use it in a rural area with poor speeds.

The purely commercial case would have taken superfast broadband in Suffolk to around 50%. I pay tribute to the local authority in Suffolk, which, at a time when so many local authorities are strapped for cash, has invested heavily to meet around half the extension costs. However, around 3% of people in Suffolk—I think it is about 5% in the whole UK—remain outside any funded policy commitment, so as it stands there is a real danger of a big divide for them. There has been some speculation that this will be dealt with on a demand-led basis. To my mind, that is very much a suboptimal solution. The problem is that as we near the high 90s, the cost per premises increases dramatically as the civil engineering works and the distances become more complex and therefore the value-for-money question for those last few households becomes more and more difficult. We need to think about the cost per premises across the whole venture, not an ever-reducing number of houses.

I have other concerns about a demand-led USO. What if one house wants it now and then the neighbour wants it in two years' time? That is simply not a practical or economical way of doing business. If someone who does not want it now sells their house, the new people coming in may want it; so the demand-led model has real problems.

The BT community fibre grant scheme is very welcome but it is limited to communities with schools and, of course, many small villages no longer have schools. When I think about my very small village, there are a number of older people who are not interested in broadband, but we also have young families with small children and, as they get older, I worry about whether they will stay in the village if they do not have the access they need in terms of schooling and social media. Rural services, not only in villages but even in market towns, are declining rapidly as banks close and government and council offices shut their doors; for example, when the Ipswich tax office closes in a few years' time our nearest tax office will be in Stratford, east London, so digital services are key. Of course, to add to the problem in many rural areas we have poor mobile phone coverage as well: 4G is pretty much non-existent where I live, so we do not have the benefit of that either.

Until May I was chair of your Lordships' EU Energy and Environment Sub-Committee, which included agriculture. The last inquiry we carried out was about increasing resilience. Access to new information and innovation is key to helping farmers. Some of the most exciting innovators we saw told us how they were working from YouTube videos from around the world and how they use Skype, but very few farmers are far-sighted enough to make the investment; one farmer had invested in satellite. If farmers are to thrive in the new world to which the noble Baroness just referred, they need this, too.

[BARONESS SCOTT OF NEEDHAM MARKET]

Another problem is understanding what your speed actually is. It is usually given to you in terms of your postcode, but of course in rural postcode areas the distances are enormous, so these can be pretty meaningless and there is an issue about the masking of huge variations. We need to keep rural communities viable, not just in Suffolk or Devon but everywhere. Digital infrastructure is now as important to that as water, gas, electricity and roads.

1.22 pm

The Lord Bishop of St Albans: My Lords, my thanks, too, go to the noble Lord, Lord Foster, for securing this important debate. I, too, want to address rural issues and I declare an interest as president of the Rural Coalition. Many of our members are deeply concerned about this area. As other noble Lords have mentioned, nearly half of rural households in the UK currently struggle with broadband speeds of less than 10 megabits per second. Around one in five rural households can only access broadband speeds of under 5 megabits per second, and a significant proportion cannot access any broadband at all. This lack of connectivity acts as a huge obstacle to the growth of the rural economy and to rural sustainability. This is even more important as we get ourselves geared up for Brexit.

Without adequate broadband, small businesses cannot grow or thrive; freelancers struggle to connect with potential clients, particularly in an age of videoconferencing; farmers cannot complete the many forms for the smooth operation of their businesses, such as cattle movements or the basic payments scheme; and it is almost impossible for anyone to buy or sell anything online. Young people can also be very isolated from their friends. Noble Lords who, like me, know rural issues well realise that rural isolation is a huge issue. Children can also struggle to complete their homework. Students in remote areas cannot access resources or learning, which is particularly problematic as many educational institutions develop part-time and distance learning. So areas of the country without adequate access to broadband could increasingly fall behind.

The current minimum provision of 2 megabits per second is insufficient and although the 10 megabits per second universal service obligation promised by the Government for 2020 is welcome, it needs to go further. The USO must mean that households and businesses are connected to the network in the same way that electricity and water have to be provided. As the noble Baroness, Lady Scott, said, BT currently adopts a demand-driven approach, providing new infrastructure and connections only when a minimum number of people in an area request it. I am aware of instances where households and small businesses have been prevented from moving to new premises, not because the broadband is not available but because there is no interest in providing the additional local infrastructure needed. The USO must also rise in line with the increasing demands of technology so that the hardest-to-reach areas are not continually left behind.

I welcome the Government's commitment to improving competition when it comes to delivering broadband for the 1.5 million rural households without an adequate provision. That is important because, while fibre might

be the appropriate technology for 90% of the UK, it is not always the best option for isolated rural areas, where mixed technologies, particularly wireless, can be far more cost effective. We have already heard reference to Broadband Delivery UK and its market test pilots, which suggest that where a hybrid technology approach has been used, particularly merging fibre and fixed wireless, it has proved effective in very challenging areas, delivering high-coverage percentages while demanding relatively low public subsidy. Can the Minister give assurances that the final assessment of these projects will be published soon, the findings implemented quickly and funding provided, so that these alternative services can be delivered on the large scale that is needed?

I hope that the Minister might also explain a bit more about how DCMS expects the USO to be fulfilled. Most public statements on fulfilment seem to indicate that the focus remains very much on fibre, without any real consideration of proven alternatives. There seems to be a danger that a focus on only one technology might mean that rural communities could end up paying over the odds for fibre, when alternative technologies would have been more cost effective.

Finally, on the issue of mixed technologies, already referred to by the noble Baroness, Lady Pidding, I want to mention the potential for church spires in some of the hardest-to-reach rural areas to be adapted for wireless broadband provision. There are a number of examples of this in rural areas, including in Norfolk, Herefordshire and Worcestershire, which all have more than their fair share of hard-to-reach areas. WiSpire in Norwich has already shown how this kind of initiative can be successful and of real value to both the Church and the local community. It is a win-win situation. I hope that there might be opportunities for DCMS and the Church to have further discussions about how we can take that kind of collaborative working forward.

1.27 pm

Lord Fox (LD): My Lords, I join other noble Lords in thanking my noble friend Lord Foster for securing this debate, which serves as a useful preface to the Digital Economy Bill and the discussions that will ensue on that. I shall ask a number of questions of the Minister, but I understand that he has a limited time in which to answer them. This is part of the continuing debate that I am sure we will all be having as the Bill makes its way towards us.

First, I want to acknowledge the scale of the rollout challenge that has been undertaken. We can see from the numbers that it has come a long way. We should thank the hardworking teams in Openreach, who have done some pretty tough stuff to get us as far as we have. We should not debate this matter without making that acknowledgement. However, the UK's broadband capacity is very important, as is access to it, and we need to be honest with ourselves about how far we have got on this rollout journey.

I want to set the scene slightly, while avoiding too much history. It is worth looking at the facts. BT has a number of irons in the fire. It has a considerable asset in its copper network and, understandably, like any company, it will want to leverage the value from that asset. Meanwhile, it is increasingly selling digital products

down the network. These are products that add further strain to capacity where it is constrained, down the network that it has been tasked to build. It also has a business selling network services. This portfolio of businesses is not generally compatible with the building and operating of what should be a dull and efficient utility—let us call it a superefficient utility. To put that in context, it is the equivalent of asking a consortium comprising Network Rail, Eddie Stobart and Tesco to build and own our roads. We would not do that. I know Ofcom's previously stated preferred option for how the ownership of Openreach might change and I am not going to spend much time—because we do not have it—debating that future ownership model, which clearly will be an issue, but I would welcome the Minister's view on that.

Leaving that aside, does it matter who owns it and how it works? Do the ends justify the means anyway? My noble friend Lord Foster gave us a snowstorm of percentage signs and download speeds, proving how well or otherwise we are doing. Perhaps we should be somewhat wary of how those speeds are measured. My noble friend Lady Scott pointed out that, essentially, these are theoretical models based on the make-up of the network, how it gets there and postcodes. Who does that measuring? We know, as we heard from all the speakers so far, that the rates quoted rarely match those actually experienced in the office and at home. Above all, as my noble friend Lord Foster said, we should remember that the rate-determining link in the broadband delivery chain for most people remains a strand of often quite old copper wire linking them to a cabinet somewhere in the general vicinity of where they live or work. Will the Minister comment on having some independent verification of the measures we use for download speed? How would he seek to add to the confidence that consumers and buyers of these services can have in those speeds?

Perhaps we are looking at this the wrong way round. The focus on download speed is itself revealing, reflecting an aim by almost everybody to send stuff to people. It reflects an ambition to sell to consumers: the better the download capacity, the more we can put down the pipe and the more money we can make. But this is not a one-way street and for many who aspire to be part of the digital economy the priority is often the other way round: upload speed is equally important, and almost always lower in the available packages. Our budding designers, fintech entrepreneurs, games makers and whoever else need effective upload speeds to deliver their work to the next stage in their value chain. To realistically assess our success to date, this needs to have equal status with download speeds. Does the Minister agree with this analysis and will he push Ofcom and others to include stretching upload targets in the data we set for the network?

Finally, there is the industrial strategy—two words used by many people but we have yet to find out exactly what they mean. We heard from a Minister in the Chamber yesterday how important infrastructure will be in the industrial strategy—whatever that looks like. Last month, as I think the noble Baroness, Lady Pidding, said, we heard from the Prime Minister in her party conference speech that we need better broadband connectivity to create equal opportunity across our

country. Mrs May clearly does not think that what we have to date is good enough and I am happy to agree with Theresa on that. While it is important that we all adopt a realistic understanding—we need to develop that—of how far we have got, we also need to understand that the current targets are not good enough. The world has moved on substantially since those targets were set. We must raise the bar higher and be more ambitious, rather than merely meet the current set of targets. So my final question is: how will the Minister ensure that the industrial strategy will deliver a 21st-century broadband network, rather than the 20th-century one that we are currently trying to build?

1.34 pm

Lord Aberdare (CB): My Lords, I too congratulate the noble Lord, Lord Foster of Bath, on obtaining this debate on a subject of such great importance. Having served on your Lordships' Digital Skills Committee, I particularly agreed with the points he made on digital skills and digital inclusion. It is also a pleasure to speak after the noble Lord, Lord Fox, who, in a previous life, was a business client of mine.

I shall address two issues, with apologies for repetition. First, my concern that the superfast broadband rollout strategy will not prove ambitious enough; and secondly, the need for a more aggressive approach to the challenge of bringing superfast broadband to the elusive "final 5%" of premises across the UK.

We pride ourselves on the fact that the UK is a leading nation in terms of our digital infrastructure, including access to high-speed broadband. However, as the noble Lord, Lord Foster, told us, the figures tell a rather less encouraging story. Our position in the Akamai global rankings for average fixed-line broadband performance is slipping. In the latest table we are ranked 19th in the world, down from 14th, 18 months previously; and ranked 13th in Europe, down one place. Our average speeds are improving, but at a slower pace than in many other countries in the top 30—only just over half of UK broadband connections achieve speeds of 10 megabits per second. Therefore, I welcome the proposed universal service obligation for access to broadband of at least 10 megabits. However, I question whether this will be enough. In these days of video streaming, catch-up television, big data, massive open online courses, and coming developments such as the internet of things, 10 megabits will soon fall far short. It does not even begin to meet the Government's definition of superfast—namely, speeds of over 24 megabits.

As we have heard, most broadband supplied by BT's Openreach subsidiary relies on copper wire, not fibre optic cable, for the final link to user premises—so-called fibre to the cabinet, rather than fibre to the home. This seems bound to constrain achievement of the even higher speeds likely to be required in the future—ultrafast broadband of 100 megabits or more, or hyperfast broadband of 1,000 megabits and up, for a truly gigabit society, as countries such as Singapore are aiming for. Fibre to the home coverage in the UK is below 2%, against a western European average of 25%. Therefore, I welcome Ofcom's commitment to, "encourage large-scale deployment of new ultrafast networks, including fibre direct to homes and businesses, as an alternative to the copper-based technologies currently being planned by BT".

[LORD ABERDARE]

I realise that there are trade-offs between present costs and future-proofing, but I hope we will not rely too heavily on a single supplier, Openreach, and a single approach, fibre to the cabinet, lest we find in the future that we end up with the equivalent of only one runway—to use a topical comparison—at a time when we need several, if not many more. I certainly would like to see other suppliers encouraged, and indeed incentivised, to come up with more innovative solutions, not least to find ways of tackling that stubborn final 5%.

That brings me to my second theme. My home in Carmarthenshire has no mobile telephone coverage. BT provides a landline, with poor line quality and not infrequent interruptions or breakdowns. Until quite recently, BT also offered the only so-called broadband service available, which seldom, if ever, reached 2 megabits, despite being charged at BT's standard broadband rates. No wonder Carmarthen East and Dinefwr was ranked third bottom in an Ofcom table of broadband speeds by constituency as at June 2015. Salvation came in the form of a small local network supplier, appropriately called ResQ, deploying a fixed wireless access system to which we were fortunately able to connect via a farm across the valley—I do not think we have a church spire in sight. We now get speeds of 10 megabits or more for both download and upload in order to support local businesses. However, the prospect of any significant further improvement seems remote, particularly if it depends on BT and Openreach, which already seem at full stretch just keeping the landlines working.

Would it not make sense to open up at least some of these hard-to-reach and less well-covered areas to a greater variety of different suppliers and technologies, with support and encouragement through some of the funding allocated to promote high-speed broadband rollout? Even if Openreach is not wholly split off from BT, there is surely a case for trialling new and more ambitious technologies aiming for higher levels of speed and service in some of these hitherto deprived areas. How otherwise can we avoid them slipping further and further behind in an increasingly digital world, as the right reverend Prelate pointed out? How nice it would be if some of the areas currently languishing in the final 5% backwater could be transformed through innovative technologies, including satellite and wireless technologies, for example, into the leading 5%, helping to bring the UK nearer to the top of the global league tables, where it surely needs to be to achieve the Prime Minister's aspirations for our role in the world after Brexit. I hope the Minister will be able to reassure us on plans to provide greater drive and impetus to make superfast broadband a genuine utility service, including for the final 5%.

1.40 pm

Lord Stevenson of Balmacara (Lab): My Lords, this has been a very good debate. As someone who is technologically a bit illiterate, I have learned much too much too quickly, and I am probably going to get confused as I try to go through some of my points.

Anybody who has got teenage children—I have children in their late teens—will know the agony of trying to match their expectations in terms of what you provide in your home environment. In Buckinghamshire,

we have just experienced the rollout of fibre. I thought I could relax and retire at that point. It has been a nightmare because what you are not told is that there is a headline figure of 30 megabit downloads, but you do not realise that it is still two miles to the nearest exchange, it is still copper wires—why copper when everyone is giving up the landline, I do not understand—and you still have to compete with others in the same area, which is called the contention ratio.

That leads to a question about exactly what target we are aiming for. We have had a number of very good and interesting responses on that. There are already disagreements between the Government's principal adviser, Ofcom, and the Government about whether it is 30 megabits or 24 megabits. We are still talking about people getting, on average, up to 2 megabits, not 10 megabits, which seems to be what Ofcom regards as sufficient to meet the needs of a typical household—not my household—to access government e-services, do basic web browsing and make video calls. We are not addressing what the noble Lord, Lord Fox, picked up, which is the way demand can change, and, as the right reverend Prelate the Bishop of St Albans pointed out, people in rural and other communities have been relatively low users from necessity not choice. We are not measuring up to the demand that we are expecting over the next 30 years. It may well be that increases in data usage are coming and will largely be in urban areas on fibre, but if we roll this out and, as the noble Lord, Lord Foster, suggested, get behind an inclusion strategy that shows people why they could and should be using digital, then we are talking about huge increases which I do not think are envisaged.

If connection is the main aim, we are probably not going to get to the right place quickly enough. It is a necessary but not sufficient way of progressing. We will have to think much harder about education, skills, the current barriers, how content changes will make differences and the possibility of subsidies and additional support for people. Without that, we will continue to have a suboptimal solution to a problem which has to define us in the new economy that we are approaching.

To sum up, most people are saying that there is an opportunity here—presumably we will return to this in the Digital Economy Bill—to do something that is a step change not an evolutionary change. If we do not do that, if we do not aim high for the gigabit society, we will be rushing to catch up. We are not in a good place, as the figures mentioned by the noble Lord, Lord Aberdare, show. We are way behind other countries in western Europe in terms of the support that is being provided. Sweden and Spain now have 80% of homes served by fibre. We are a long way away from that. I spent some time in a very small place in south-west Ireland called Skibbereen. It is not well known, but it has one of the best internet offices I have experienced. You can get speeds that reflect almost frightening capacity and it is full of people taking their work in to the Ludgate Hub, as it is called, in order to try to build their businesses in a rural environment. Without it, there is no doubt that they would have had to travel to Dublin in order to survive. That is the future we should be thinking about. We should gain more experience from it and try to aim higher than we are currently.

Finally, when we come to the Digital Economy Bill, I hope that we will also look at consumer rights. The Bill takes some grudging steps towards trying to make sure that those who use the new technologies have redress, but we have failed to achieve some of the changes that could have been put into the Consumer Rights Act 2015 in terms of making sure that consumers have those rights. I give notice to the Minister that we on this side will want to come back to some of these issues when we get to the Bill. It is good that providers will have to be more responsible for what they provide in terms of broadband speeds and effectiveness, but there has to be compensation on a much greater scale than is currently the case from those who do not supply it. We also have to make sure that those who acquire products on the internet using the superfast gigabit services that are coming down the track will have the same rights as ordinary consumers.

1.46 pm

The Parliamentary Under-Secretary of State, Department for Culture, Media and Sport (Lord Ashton of Hyde) (Con): My Lords, I will speak as quickly as I can because there is a lot of ground to cover. I am most grateful to the noble Lord, Lord Foster, for securing this debate and for all the contributions to it. Like the noble Lord, I live in an area with slow broadband and I share the experience of the noble Lord, Lord Aberdare, of using a good local supplier—Wurzel in my case rather than ResQ—which produces 50 to 70 megabits per second, but that is not available to everyone. The other thing I should say is that I am looking forward very much to being invited to a party in Suffolk where the main topic of conversation seems to be broadband. There is rightly a lot of interest in the superfast broadband programme and we agree that fast broadband is increasingly regarded as a necessity of modern life. I agree with virtually all the points made by noble Lords that the question is how we will get there. So I am delighted to have the opportunity not only to celebrate what we have done to date—and that is a lot—but also to reassure noble Lords that we are doing even more to ensure the delivery of the sort of broadband service that is required for the UK not just for today but for tomorrow, which all noble Lords have spoken about.

I know that some noble Lords are worried that we are in the slow lane, so to speak, in terms of broadband speed. I cannot quibble with the statistics cited by the noble Lord, Lord Aberdare. I do not know how long it took him to find those rather depressing numbers because in part through the work done by Broadband Delivery UK, mentioned by the noble Lord, Lord Foster, we are sitting at the top of the EU five; Germany, Spain, Italy and France, and indeed we are 8% higher than Germany, our nearest rival. But I agree that within those statistics there are quibbles about upload and download speeds, average speeds and latency. However, that is not really the point and we want to make it better. When it comes to digital infrastructure connectivity, we want the UK to be not only the lead in Europe, we want to be a world leader.

Perhaps I may remind your Lordships at this point of the scale of the superfast broadband programme which in addition to the already extensive commercial rollout shows how much has already been achieved.

We are investing £790 million to reach areas untouched by the commercial sector while local and European funding has increased that public investment to a total of £1.7 billion. In view of the concerns surrounding Brexit, it is also worth noting that all EU funding of broadband contracts is guaranteed for at least the next two years until the UK is officially no longer a part of the European Union. Along with the noble Baroness, Lady Scott, and the noble Lord, Lord Fox, I pay tribute to the support of local authorities and the devolved Administrations for their tremendous support and investment in the Government's superfast programme. That reflects their recognition of the local benefits that superfast broadband can bring.

My right honourable friend Matt Hancock, the Digital Minister—I should say the Minister for Digital; he is a real Minister, body and soul—explained recently that our path to a more digitally connected UK can be envisaged as a three-part journey. First, we must complete the rollout of universal 4G and superfast broadband between now and 2020. Secondly, we must continue to drive connectivity in the areas of need, both rural and urban, and support a competitive market for delivery. Speaking of competition, in answer to the noble Lord, Lord Aberdare, on Openreach, we support Ofcom's position on the need to improve digital connectivity, including looking into the position of Openreach. It is already subject to wholesale access regulation that allows other suppliers to access its networks. Third in our trio of priorities, we must start work now on ubiquitous 5G and fibre over the decade ahead—by that, I mean fibre to the premises, and I will come to that later if I have time. That is, of course, the future for broadband, as the noble Lord, Lord Foster, said.

In answer to the question from the noble Lord, Lord Fox, the reason we talk about fibre to the premises is in part a recognition of the need to improve upload speeds. I understand quite well the issue about BT's investment in its copper, but that will have to be dealt with in due course.

The first step of our journey is progressing well. Indeed, the figures coming out of the BDUK programme to date are encouraging. More than 90% of homes and businesses now have access to superfast broadband, up from only 45% in 2010. In fact, 88% has reached Ofcom's higher measure of 30 megabits per second, which the noble Lord, Lord Stevenson, mentioned. This will increase and be updated in December 2016. More than 4 million additional homes and businesses have access due to the Government's programme. This will rise to more than 5 million additional homes and businesses by the end of the programme. We remain on track to get to 95% superfast coverage by the end of 2017.

In addition, more than 42,000 SMEs across 52 cities have benefited from superfast and ultrafast broadband connections because of the Government's broadband voucher scheme. To choose a random example, coverage in Bath, the former constituency of the noble Lord, Lord Foster, is expected to reach 98% by December this year, well above the national average. At the moment, any home or business with speeds below 2 megabits per second can access a grant for better broadband through alternative technologies, such as

[LORD ASHTON OF HYDE]

satellite or wireless, through the Better Broadband Subsidy Scheme. In fact, 99% of UK premises have access to basic broadband, which is the best in the G8.

Furthermore, because of provisions in the BDUK contracts, funding is being returned by suppliers as a result of higher than expected take-up, so £129 million has already been made available, with at least as much to come again. Together with the project savings, local authorities and the devolved Administrations should have more than £400 million available to reinvest in superfast broadband coverage over the next three years. As a result of the superfast broadband programme, coverage should increase to around 97% by 2020. Indeed, 20 new broadband procurements are already being taken forward by local authorities and devolved Administrations using this funding and other local and European sources of funding that they have been able to access. This includes £14.5 million that the Government have allocated to support ultrafast broadband in south-west England. Each of these procurements is open to all suppliers, both large and small, to bid for.

As mentioned previously, we understand that fast broadband is very much a fourth utility in modern life and that the future most definitely lies with fibre and 5G. The challenge that we are now addressing is how to get there. It is important to have market innovation in this area, with the Government setting the framework and supporting competition at all stages to ensure the best outcome. The industrial strategy needs to recognise digital skills, infrastructure and the power of digital in the economy. I am sure that more details will be available in due course.

The importance of broadband to rural communities is well understood and unprecedented, and I speak from personal experience. As more and more government services move online, rural businesses and households need to be able to rely on a good broadband connection so that they can continue to operate effectively. That is why the Government announced plans last year to introduce the new broadband universal service obligation, of which many noble Lords spoke. This will ensure that anyone who does not benefit from the existing commercial or publicly funded programmes is not left behind. It will give all homes and businesses the legal right to a connection of at least 10 megabits per second on demand. The Digital Economy Bill will be coming before this House either at the end of this year or at the beginning of next year and we will talk about that then. Although it will be set at 10 megabits per second initially, the Bill includes a power to review the USO over time to make sure it continues to meet people's needs, which the right reverend Prelate mentioned, but we realise that there are many details to be worked out, some of which were outlined by the noble Baroness, Lady Scott, and others. We will take all these difficulties on board and look at the detail behind the USO and we will be making crucial decisions in due course. In the meantime the USO needs to be passed in the Bill in this House.

To conclude I want to mention some points that noble Lords raised. The noble Baroness, Lady Pidding, asked how we identify not-spots. Ofcom undertakes mapping to do that. The noble Lord, Lord Foster, mentioned digital skills and we certainly want digital

skills to be embedded in education. We are actively looking at what more is needed to increase digital skills. The right reverend Prelate asked about the final report on market pilots which tested new ways of delivering superfast broadband in hard-to-reach areas. That is due to be published by the end of 2016. That is about all I have time for. The noble Lord, Lord Foster, made a number of other points. We understand the problem of not doing enough to get fibre to the premises and we will be addressing that. We agree with driving take-up and I will write to him on that.

We are working hard and we are making progress. I think we all agree with the ultimate objective, which is to not be satisfied with just superfast broadband; we want fibre to the premises for everyone and we want increasingly high speeds because that is what the future will require.

1.57 pm

Sitting suspended.

Anti-Semitism

Question for Short Debate

2 pm

Asked by Baroness Deech

To ask Her Majesty's Government what steps they propose to take to combat anti-Semitism, in particular in universities.

Baroness Deech (CB): My Lords, I never once thought that I would stand here to address this House on this topic. As has often been said, the UK is a wonderful place in which to be Jewish, free of the anxiety besetting Jews on the continent of Europe and causing some of them to emigrate. It gave refuge to my father in 1939, for which he was deeply grateful. He urged me to remember this hospitality and to contribute in return. Hence, many thousands of us are very grateful to the All-Party Parliamentary Group Against Anti-Semitism, to the many parliamentarians who led the fight against anti-Semitism—to name but two, John Mann MP and the noble Lord, Lord Boswell—and to the Government's envoys for post-Holocaust issues, first Sir Andrew Burns and now Sir Eric Pickles, as well as for various government initiatives.

My generation of Jews has flourished here. I have known nothing but equality for most of my life. The problems emerged about 10 years ago, not as recently as some might believe. The rise in reported anti-Semitic hate crimes is no surprise to the Jewish community and has absolutely nothing to do with Brexit and the focus on hate crime since June. The Community Security Trust reports that 2015 saw the third highest annual total of anti-Semitic hate incidents since it started reporting in 1984, and 2016 saw an 11% rise in six months.

This is despite valued Holocaust education, which is part of the national curriculum. Yet a 2016 Commons report showed that that is superficial for too many young people. While the support of the previous Prime Minister was welcome, I doubt the value of yet another Holocaust memorial in Westminster, as recently announced. It will do little to teach the meaning of the Holocaust or address prejudice in our society. Indeed, it might serve

simply as a target for graffiti unless protected by a barrier, which is not the reminder one would wish for. Do the Government agree that it is time for an impact assessment, and to check whether pupils learning about the Holocaust make the connection to Jews today and their bond with Israel? Moreover, it is widely reported that some Muslim schools teach Jew hatred to pupils. It is high time there was regulation of out-of-school teaching. Our young people are not getting the right message and that shows up in universities, as I will explain.

There have been three recent inquiries into anti-Semitism: those by the noble Baronesses, Lady Royall and Lady Chakrabarti, and that by the Home Affairs Select Committee. The weakness of such inquiries is that their remits include racism and Islamophobia, thereby sidelining anti-Semitism and its special characteristics, and failing to deal with the tricky issue of when hatred of Israel becomes anti-Semitism. This is a characteristic of some politicians' statements on the subject—"We are against all forms of racism"—thereby acquitting themselves of anti-Semitism and failing to look at it from the victims' perspective. For that reason, the Chief Rabbi said of the Chakrabarti report that its credibility "lies in tatters". It is not enough to wrap oneself in the banner of the Cable Street clash. The modern equivalent of the Cable Street stand is Jews opposing rabid anti-Zionists, and in this scenario some self-defining anti-racists would be on the wrong side.

The excellent report of the Home Affairs Committee is a blueprint for the way ahead. It examined the mutating forms of anti-Semitism over the centuries and its various ideologies, of which the most novel is the toxic mix of disillusioned left-wingers looking for a cause, western guilt over colonialism, Islamist extremism, fascism and age-old religious anti-Semitism. This report shows that it is important to abide by the definition of anti-Semitism endorsed by the Government and by Sir Eric Pickles. It is especially important that universities do so in order to help them draw the line between attacks on Israeli government policy and hate speech. The definition is valuable because it faces squarely the difficult area of distinguishing legitimate criticism of the Government of Israel from anti-Semitism, and gives examples. Will the Government ensure that in all situations where anti-Semitism is considered, the Pickles definition is applied?

Zionism is the Jewish people's liberation movement—their end to servitude, their claim to equality among the nations—one of the most inspiring and successful national movements in human history. Over 90% of British Jews support Israel's existence. To call for Israel to lose that right or to cease to exist is in effect to call for the obliteration of the 6 million Jews gathered there, and is anti-Semitism. Blaming Jews for the Holocaust, applying double standards to Israel and drawing comparisons between Israel and the Nazis all come within the definition, as does accusing Jews of having malign power and of conspiracies, child killing and organ harvesting. Jew-hatred through the ages has been represented by just those libels, and they have now been transposed into Israel-hatred. Supporting a Palestinian agenda must not be allowed to morph into Jew-hating libels and fascist-type caricatures. Why do

the EU and the UN ignore the occupation of Kashmir, Western Sahara, Tibet and Northern Cyprus while ceaselessly condemning Israel? Why do grave human rights breaches by Turkey and Saudi Arabia and the killing of civilians by the US, Russia and Syria cause nothing like the reaction to such inadvertent behaviour in self-defence by Israel?

Sadly, our universities have become hotbeds of anti-Jewish incidents. I have spoken previously in the House about the threats to freedom of speech on campus. Curiously, when it comes to hate speech or action against Jewish students, the normally oversensitive campus police are failing in their duty. From a chronicle of too many anti-Semitic incidents I highlight: the award to a student of £1,000 by York University for the abuse he suffered; the violent demonstration, ending in court, at King's College London against an Israeli peace speaker; swastikas daubed on student doors; Jewish students being told they are not welcome or to leave the country; Islamist extremist speakers on campus using the most derogatory terms and voicing lies about Jews in the name of religious preaching; shouting "Filthy Zionist" at a girl every time she passes; and requiring Jewish students to denounce Israel as the price of entry to a committee, boycotting them if they do not. The NUS, whose own president is one of the worst offenders, has become tainted and does not take the issue seriously, in contrast to its vigorous opposition to the Prevent policy.

Will the Government urge the NUS to ensure that campuses are safe for Jewish students who find they have to stand up to the Israel-hatred thrust in their faces when they arrive, activists or not? UUK should provide a resource for students on how to deal with the Israel-Palestine conflict without resorting to anti-Semitism. The recent UUK report on sexual harassment and hate crime provided no focused answers.

Boycotts only harden resistance among Israelis—who themselves hold a whole range of opinions on peace and the occupation—and deepen defensiveness and mistrust of European countries. The Government have condemned them. Nevertheless, the boycott, divestment and sanctions movement manifests itself in academic boycotts and the physical obstruction of students at checkpoints on campus. It is not only discriminatory against Israeli nationals but contrary to the public sector equality duty imposed on universities, contrary to the principle of the universality of science and, where it involves the expenditure of money, contrary to charity law. Not for a moment would universities tolerate a "Boycott China Week" or a "Muslim Misogyny Week", to take apposite examples.

The noble Baroness, Lady Royall, should be thanked for her evidenced report on anti-Semitic incidents at my own university, Oxford. Oxford, officially the best university in the world, has made no public statement in response. Oxford, the home of Isaiah Berlin, Ernst Chain, Zelman Cowen, Hans Krebs, Claus Moser, Goodhart, Ayer, Hart, Beloff and Goodman, needs to condemn what has happened and explain measures taken against the malefactors in order to reassure Jewish students that anti-Semitism will not be allowed and so that justice is seen to be done.

[BARONESS DEECH]

Will the Government recommend to UUK the following? The equality and diversity offices at universities should pay as much attention to anti-Semitism as they do to gender and other race issues. Each university should monitor anti-Semitic incidents, and put out statements emphasising their commitment to combating it and to assisting students to make complaints, when, as I know, they are often too intimidated to do so. Training university authorities, unions and staff in the law surrounding this area should be mandatory.

We have already seen that where anti-Semitism starts and is unchecked, the hate and misinformation behind it spreads to infect other minorities and to poison the community in which it exists. As Edmund Burke said:

“The only thing necessary for the triumph of evil is for good men to do nothing”.

2.11 pm

Lord Beith (LD): My Lords, it is a privilege to follow the noble Baroness, Lady Deech, and I thank her for initiating this debate, and for doing it so well. I, too, want to concentrate on what universities need to do. Universities have duties to their students that they must not neglect. They must provide an atmosphere of free inquiry in which students learn to examine ideas and theories critically and rigorously, and, at the same time, they have a duty of care to students so that their precious time at university is not disrupted or destroyed by those who fail to treat fellow students with respect and decency. Anti-Semitism is as intolerable in the university context as it is in any other, and as unacceptable as all kinds of racism and hatred based on religious difference.

As the noble Baroness indicated, anti-Semitism has some characteristics which make it a particular challenge and call for extra effort, particularly in the liberal context of a university. Anti-Semitism often makes its appearance in the very thin disguise of attacks on the existence of the State of Israel, with the term “Zionist” used in a way that indicates that the attacker has an agenda or motive that goes far beyond criticism of the policies of any Israeli Government and extends to an attack on Jews in general. Those whose background is Pakistani or Bangladeshi are not held responsible for every action of the Governments of those countries or required to disavow the very existence of those countries, which are of a similar age to Israel as a state. They have other problems—Muslims are so often associated quite wrongly with Islamic terrorism—but the problem I have described is one that relates particularly to anti-Semitism.

Anti-Semitism is a conspiracy theory that suggests that because some people share a particular racial background or religion, they must be engaged with each other in a conspiracy to exercise undue influence, subvert democracy or take over the world. It would be risible if it was not deadly—quite literally deadly, because that was the basis on which 6 million men, women and children were slaughtered in the lifetime of some of us present. Of course, the same conspiracy theory infects those who deny that the Holocaust ever happened or who try to excuse it—an utterly ludicrous position.

There are many things that have to be done about anti-Semitism and its close relations, racism and hate crime, which thrive on it. University authorities must make student unions aware of their legal responsibilities under criminal law and charity law, and must be ready to enforce conditions they can act on when they own property or land that unions occupy. Universities should continue to make sure that the rigorous, critical and well-informed examination of ideas is part of every undergraduate student’s education and development. They should see that vulnerable students are supported and helped and that respect for diversity is actively promoted. The National Union of Students needs to get rid of leaders who pander to anti-Semitism—calling Birmingham University “a Zionist outpost”, for example, as Malia Bouattia did—otherwise that organisation will find more university unions disaffiliating from it, as those in Birmingham and Newcastle have done.

Time does not allow me to go into the detailed proposals of the Commons Home Affairs Select Committee on dealing with anti-Semitism in universities and, indeed, more widely, but I commend its report and hope very much that it will be acted upon. I also commend the continued work of the Community Security Trust, which does so much to protect and reassure members of the Jewish community when they find themselves under threat. Finally, I welcome the interfaith dialogue that goes on in and around many universities, promoted by university chaplains of all faiths and by local churches, mosques, synagogues and religious organisations. It is an important part of educating a wide range of students.

One omission I must repair is to say that I have been president of Liberal Democrat Friends of Israel.

The Earl of Courtown (Con): My Lords, I apologise for interrupting but the time allowed is four minutes and the noble Lord is now on his fifth minute. There is no spare time in this debate.

2.15 pm

Lord Harries of Pentregarth (CB): My Lords, I am grateful to the noble Baroness, Lady Deech, for securing this debate on such an important subject. While I was, of course, aware of the issue, the detailed evidence of anti-Semitism on campuses in the UK still makes for appalling reading. What is described there is totally unacceptable. I chaired the 1994 Runnymede Trust report on anti-Semitism titled *A Very Light Sleeper*. Sadly, Conor Cruise O’Brien’s resonant phrase is all too true today.

I will confine myself to one section of the APPG report on anti-Semitism: that dealing with the Israel-Palestine issue and the toxic nature of the debate on campuses. In particular, I commend the recommendation of the Home Affairs Select Committee that Universities UK should work with appropriate bodies to produce a resource on how to deal with the issue sensitively and to ensure that,

“students are well-informed about both sides of the argument”.

I recommend that the bodies it consults on this include the Council of Christians and Jews, which has many decades of experience of handling this issue. This arises from the fact that historically the churches have

had very close links with Palestinian and Arab Christians, and are deeply involved in aid work. At the same time they have made strenuous efforts to overcome the long history of anti-Jewish teaching—the teaching of contempt, as it has been well labelled. These twin claims have resulted in valuable experience of how debates on the subject can avoid becoming toxic.

I shall make three points that bear on this. First, the State of Israel is not simply a result of European guilt for the Holocaust. James Parkes, that remarkable Christian priest who in the 1930s pioneered the serious study of anti-Semitism and after whom the library and centre in Southampton University is named, put forward in the 1940s a five-fold case for Israel, which was little known or understood even by most Jews at the time. One element is the fact that there had always been a Jewish population in Palestine, as large as the circumstances at the time allowed. Another was that, throughout history, Jewish communities had never given up hope of returning there, hence the refrain at the end of every Seder: “Next year in Jerusalem”. These facts enable 19th-century Zionism, and any use of the word Zionist, to be seen in its proper historical context.

Secondly, I always find it helpful to bear in mind that the fiercest critics of the particular policies of different Israeli Governments are often Jews in Israel, and they make these criticisms out of loyalty to the State of Israel, whose validity they continue to uphold and whose existence they feel is sometimes threatened by those policies; nor, so far as I am aware, do they support boycotts, disinvestment or sanctions, in contrast to campaigners in South Africa at the time of apartheid.

Thirdly, after World War II all the Christian churches wrestled with the issue of the State of Israel and its legitimacy. Endless church documents were produced. The American scholar Paul van Buren, summing up these documents, put forward the minimum Christian position in these words:

“Because the state of Israel is in part the product of the ancient and living hope of the Jewish people and is of deep concern to almost all Jews, disregard for its safety and welfare is incompatible with concern for the Jewish people”.

A concern for the suffering of the Palestinian people and a desire to see a just peace in which some historic wrongs are righted must never lose sight of those words, so I look forward to seeing some resource material produced by Universities UK which can help this painful debate take place on campuses in a way which is well informed and not toxic.

2.19 pm

Lord Alton of Liverpool (CB): My Lords, in thanking my noble friend Lady Deech for initiating today’s important short debate, I refer to my interests in higher education. For nearly 20 years, I held a chair in citizenship at Liverpool John Moores University, where I am an honorary fellow, and was director of the Roscoe Foundation for Citizenship. I have also been a visiting fellow at the University of St Andrews.

In September, I was in Jerusalem and Warsaw—two cities which have the toxic story of anti-Semitism written into their DNA. As we have heard, universities have a duty under the Equality Act 2010 to provide a safe and inclusive environment but, as the experience of a Jewish law student at York University illustrates, students have had to use their own resources to seek

legal redress and apologies where anti-Semitism has occurred. That should have been done on their behalf by the university authorities. It is the job of an institution’s leaders, and it is a task that they must take very seriously and prioritise without fear or favour. My noble friend is right to remind student leaders of their duties, too, and to insist on monitoring and training.

On our campuses, and in political parties, contemporary anti-Semitism can often be the wolf concealed in sheep’s clothing. Jihadist attacks in Toulouse, Brussels, Paris and Copenhagen, the burning of kosher shops in the Jewish quarter of Sarcelles, and the sight of Jews fleeing their neighbourhoods and synagogues under siege by thugs brandishing placards threatening death to Jews have uncanny and terrifying echoes of Germany in 1934. We know how that began and to what it led.

I have been particularly disturbed by the growth of online bullying and hate, and by the targeting of opposition Jewish politicians. What is being done to engage the industry and online comment editors in tackling online hate? What response have we had from companies such as Twitter about taking stronger action against hate crimes on their platforms? With around 1,000 anti-Semitic hate crimes every year, it is clear that far more needs to be done, so what assessment have we made of the effectiveness of initiatives such as True Vision and the UK No Hate Speech Movement? Through counter-narratives and the smart power of aid programmes, the BBC World Service, the British Council and the Commonwealth, we must use every possible outlet to combat internet postings and, among other things, Wahhabi-sponsored school textbooks, funded by Saudi Arabia and distributed worldwide.

The recent death of Sir Sigmund Sternberg brings me to my final point, which is about interfaith relationships, a point touched on by the noble Lord, Lord Beith. My noble friend Lord Sacks has always led by example. His inspiring books about how we build our home together and learn to appreciate the dignity that comes through difference brilliantly show us what needs to be done. Those ideas need to be understood and implemented, especially at grass-roots level. On this International Religious Freedom Day, when we celebrate Article 18 of the 1948 Universal Declaration of Human Rights, which had its origins in the horrors of Auschwitz and Bergen-Belsen and the other camps, and which promotes the right to believe, not to believe, or to change your belief, we must insist that our Jewish citizens are an essential part of who we are as a nation, and anything which compromises their safety or devalues their place in British society devalues us all. No one should live in fear because of their beliefs or because of who they are. Difference is to be prized and upheld, and the political imperative which flows from this assertion is that wherever it manifests itself we must counter anti-Semitism.

2.23 pm

Baroness Ludford (LD): My Lords, I, too, thank the noble Baroness, Lady Deech, for initiating this extremely important debate. I found myself, in contemplation of it, recalling my own modest experience of anti-Semitism. As a non-Jew, I am not normally in the firing line. My interest is as someone who cares about the values of

[BARONESS LUDFORD]

a free, multi-ethnic, multicultural, liberal democracy, who has as a parliamentarian taken a particular interest in justice and civil liberties—including combating all forms of prejudice, bigotry and discrimination.

However, I had a personal moment when I experienced an echo of anti-Semitism when I was a Member of the European Parliament, probably almost 15 years ago. I reacted with some frustration to what I saw as a gap in the output of the EU racism monitoring centre, the forerunner of the EU Agency for Fundamental Rights. From memory, I said that it was unfortunate in terms of the perception of balance that the EUMC had produced three reports on Islamophobia while doing nothing on anti-Semitism. I was then criticised for condemning the EUMC's production of three reports on Islamophobia—they chopped off the final part of the sentence.

An important element that we need to bear in mind is that anti-Semitism evolves and mutates, a point picked up in the Home Affairs Select Committee's excellent report. Old stereotypes do not disappear, and of course they still get a regular outing, particularly those linked to Jewish power, especially financial power, but new ones arrive to sit alongside them. Some are related to the State of Israel, while others seek to diminish the unique nature of the Holocaust—the Shoah—by talking about other holocausts with a small “h”, as if Holocaust Memorial Day did not also commemorate other genocides. I am mindful of the paragraph in the committee's report that says:

“Antisemitism is a problem of such gravity that no party can afford to be complacent. It is an issue that should transcend party loyalties and inter-party conflict”.

Now I will quote the leader of the Labour Party, only to illustrate an issue. Jeremy Corbyn told the committee:

“Antisemitism is where you use epithets to criticise people for being Jewish; where you attack Jewish people for what they are”.

This is possibly where things can go wrong and it is not unique to any one party. That kind of direct racism, alarming and deplorable as it is, is in a sense easier to recognise and deal with, but it makes the contemporary kind—which tars Jews with all the perceived ills of the existence of Israel as well as the activities of the Israeli Government—easier to ignore and overlook and thus to evade responsibility for. No one thinks that the Government of Israel should be above criticism, but context is all. The blaming of Zionists for the actions of the Government of Israel is what is so pernicious. As the noble Baroness, Lady Deech, said, the disproportionate concentration on the so-called wrongs of Israel compared not only with other players in the Middle East but other Governments around the world makes it obvious that Israel is indeed held to a different standard.

I conclude by asking the Government whether they will consider providing additional funding for the Community Security Trust to work with the Union of Jewish Students to assist in an increase in the reporting of anti-Semitic incidents on campus, and what they are going to do to implement the recommendations of the Home Affairs Select Committee report, especially, as has been mentioned, the necessary resources so that students can be well informed about the Israel-Palestine issue.

The Earl of Courtown (Con): The noble Baroness is well over her time.

2.28 pm

Lord Sacks (CB): My Lords, in 1927 a French intellectual called Julien Benda published a prophetic book called *La Trahison des Clercs*—the treason of the intellectuals—in which he described the process by which universities that were once known as places for the collaborative pursuit of truth had become homes, in his phrase,

“for the intellectual organization of political hatreds”.

Sadly, that is what some universities in this country have become today. I speak from personal experience.

I was Chief Rabbi for 22 years and during that time I was under constant security protection, but only once in all those years did I feel genuinely afraid. That was when I gave a talk to students at Oxford University. Just before the start of my lecture, a whole group of rather menacing Muslim students came in and occupied the centre of the front row. It was a blatant attempt at intimidation. Luckily, my capacity to be boring at length saved the day and after half an hour they left, but that is increasingly what Jewish students, and indeed Jewish university chaplains, are facing. So threatened do Jewish university students feel that in 2012 they asked me personally to address the annual conference of the National Union of Students. I did. I spoke about academic freedom. I explained that this means that a university is a place where you give a respectful hearing to views with which you disagree. There was a wonderful atmosphere, with people of all ethnicities and faiths. A group of young women Muslim students came up especially to thank me, and I left on a high. That evening, when I had left, the Union of Jewish Students stand was vandalised and threatening messages were left all around.

One of the most frightening books I have read is Ed Husain's *The Islamist*. He describes in detail how a mere handful of extremists from Hizb ut-Tahrir were able to dominate and intimidate an entire university. In that case, the primary victims were not Jews but predominantly Muslims, primarily young Muslim women who were not wearing the veil. This is how it begins. The ending of this story is not a happy one—not for Jews, not for Muslims, not for anyone. In this age of extremes, we need to be vigilant in defending academic freedom, which means zero tolerance for intimidation of any group of students. It means insisting that in student debates all sides are given a respectful hearing. It means refusing to allow universities or any other institutions to become homes for the intellectual organisation of political hatreds. If the report in today's *Times* is to be believed, that includes Her Majesty's parliamentary estate. If we do not, this will be the treason of the intellectuals of our time.

2.31 pm

Lord Mitchell (Non-Affl): My Lords, I can think of no one better suited than the noble Baroness, Lady Deech, to lead this debate on anti-Semitism. She has a long history of fighting racial intolerance. The noble Baroness and I were trustees of the Coexistence Trust. Our mission was to help heal the toxic atmosphere

that existed on our university campuses between Jewish and Muslim students. We made a great deal of progress. What shocked me at the time was the sheer ignorance of university administrators and faculty about the religious requirements of Jews and Muslims. Will the Minister tell me what progress has been made to educate the educators?

I have also been shocked by the pronouncements of the president of the NUS, Malia Bouattia. The House of Commons Home Affairs Committee report into anti-Semitism criticised her when she denounced Birmingham University as being,

“something of a Zionist outpost”,

which the committee said “smacks of outright racism”. Will the Minister comment on that assertion? That committee turned its attention to the Labour Party, which it said had created,

“a ‘safe space’ for those with vile attitudes towards Jewish people”, and that its passivity risked,

“lending force to allegations that elements of the Labour movement are institutionally anti-Semitic”.

That hard-hitting document contrasts starkly with the anaemic report, also on anti-Semitism but restricted to the Labour Party, written by the noble Baroness, Lady Chakrabarti. Her description of the anti-Semitism that even she said existed within Labour was that it was an unhappy incident. It is more than an unhappy incident to me; it goes to the very core of my political being. The press has had a field day with the report and made legitimate points on the sequence of events. The noble Baroness joined the Labour Party one day, she commenced writing the report shortly afterwards, she received no payment for two months’ work, she received a peerage, she became the shadow Attorney-General and she sits in the shadow Cabinet. You can call it whatever you like, but to me it feels like a massive stitch-up. The report recommended that those found guilty of anti-Semitism be suspended. I would have thought that those found guilty of any racism should be kicked out of the party for life.

Ken Livingstone is a case in point. Not for the first time, Livingstone made a comment that he knew would cause maximum distress to Jews. Stating that Hitler was a Zionist was like a punch to the stomach for every Jew. Why has Corbyn not had him banned for life? I am Jewish, and last month I resigned from the Labour Party. Today most Jews have given up on Labour. They feel alienated by Corbyn and his coterie. They feel that Labour is a cold house.

I am often asked whether I think Jeremy Corbyn is an anti-Semite. In truth I do not know, but he certainly surrounds himself with close colleagues who flirt with anti-Semitism. He certainly stood by and smirked when a Jewish MP, Ruth Smeeth, was being verbally abused by a Momentum thug. Israel is a Jewish state, Jews support Israel, therefore Jews must be the enemy. As a Jew and a supporter of the State of Israel, how could I possibly remain in a party whose leadership is so hostile to both?

Today’s *Times* reports that the noble Baroness, Lady Tonge, recently hosted a reception in your Lordships’ House where Jews were blamed for the Holocaust. Even here, in our own House, such things are happening.

2.35 pm

The Lord Bishop of Winchester: My Lords, I also thank the noble Baroness, Lady Deech, for initiating this debate.

Despite there being Jewish societies in over 60 universities, a study in 2011 found that half of all Jewish students in the UK attend only eight universities. Safety in numbers seems to be key, as Nottingham, Leeds, Birmingham and Manchester all boast Jewish societies with over 1,000 members. None the less, we know that Jewish staff and students experience anti-Semitism in a significant number of higher education institutions today. As the recent Universities UK task force report on hate crime makes clear, anti-Semitism is a practice for which there is no place in universities, nor in the Church or society at large.

Anti-Semitism is a virus that latches on to existing beliefs—for example, in the relationship with the Christian story, with Christ’s death in Jerusalem and with the promises of God to all humanity, Jew and Gentile alike. We know that anti-Semitism has also found roots in dangerous forms of nationalism, and today it corrupts political activism as people turn criticism of Israel into an attack on all Jews as “Zionists”. While the rights of Palestinians remain an unresolved matter of social justice, I suggest that to challenge the right of Jewish self-determination and the existence of the State of Israel is, in itself, anti-Semitic.

In each case, anti-Semitism hides behind the respectability or popularity of a common belief, concealing the fact that it is not implied by any of them. Such a shift is often subtle, yet in our universities such a failure of logic should be identified and criticised in open debate. Anti-Semitism must therefore be confronted in the student union bar, the halls of residence, the common room, the public lecture and, if need be, the governing body. So I particularly welcome the proposal that Universities UK should work with appropriate student groups to produce a resource for students and lecturers on how to deal sensitively with the Israel/Palestine conflict, and how to ensure that pro-Palestinian campaigns avoid drawing on anti-Semitic rhetoric.

To combat anti-Semitism we must continue to build relationships between Jewish students, student societies and university chaplaincy teams, and encourage NUS leaders to take the issue seriously, distinguishing between anti-Semitism and racism in general and focusing on the need for collaboration and mutual support in the context of our pluralist society. If we are to maintain universities as communities of wisdom and learning, it is vital to support and protect free and open debate, both by defending individuals’ rights and by confronting practices that seek to curtail them. How will the Government play their part in ensuring that anti-Semitic practices are challenged?

2.39 pm

Baroness Neuberger (CB): My Lords, I, too, thank my noble friend Lady Deech for initiating this debate. I, too, can claim a parent who came to this country and sought refuge here—a very proud Brit with a very strong German accent.

Back in April, I was somewhat surprised to find myself commenting on anti-Semitism publicly and in the media for the first time in my life. Apart from very

[BARONESS NEUBERGER]

occasional anti-Semitic comments from a very few people in politics and outside, it was something I had not really feared or experienced, despite hearing of such things as my noble friend Lord Sacks raised. We knew what was going on on campuses. I felt—and feel—proud to be a subject and citizen of what has historically been such a deeply tolerant and diverse country, and I have felt nothing but acceptance and respect for my traditions and beliefs throughout my life's work.

However, last year—though we know it did not really start last year and has much deeper roots in a combination of anti-Israel views and a definition of anti-racism that is exclusive and perverse—things began to change. I found myself appearing on “Newsnight” with the noble Lord, Lord Levy, discussing anti-Semitism in the Labour Party—the Labour Party in which I grew up—and on campuses, where the cry, “Zio, Zio”, said to Jewish students, is ringing in our ears. This was all in the wake of Naz Shah's comments, for which she rightly apologised.

Add to that what we can read and what is repeated and retweeted in the blogosphere and on Twitter, where we see ad personam attacks of a disgraceful and upsetting style, particularly against MPs such as Luciana Berger and Ruth Smeeth, who are both Jewish, let alone others—the noble Lord, Lord Mitchell, talked about that—and we have reason to be worried. This is a style of attack that makes no attempt to tackle the issues but just goes for the person and is anti-Semitic to boot, while hotly denying that anti-Semitism is even possible in a left-wing, anti-racist party. “I am an anti-racist”, goes the cry. “By definition, I therefore cannot be anti-Semitic”. Really? That thinking has become a serious problem for Jewish students around campuses in the UK, for that cry keeps emerging.

Now, we know that the Labour Party has had very serious issues with anti-Semitism, with significant resignations because of it, or indeed exclusion in the case of Michael Foster on the basis of a headline he did not even write. It is not only in Labour, although it feels as if it is becoming institutionalised and part of the party. Of course, there have been instances in other parties and elsewhere in considerable quantities. Social media need to be looked at and sorted out if anything is to be done about all this.

All this should be a wake-up call. The Government need to act in relation to campuses and universities, as do the political parties—notably, but not only, Labour. I end by asking the Minister two questions. First, apart from the Government's power to legislate, how will they set or indeed change the tone around this anti-Semitism debate and give leadership, particularly in regard to universities? Secondly, in the wake of the Commons Home Affairs Committee's excellent report, what assurances can the Minister give that action will be taken to force Twitter and other social media sites to take action against the appalling anti-Semitic tweets and posts, and other extreme blogs, that allow this poison to fester?

2.43 pm

Lord Beecham (Lab): My Lords, I join this debate in the context of the current wave of anti-Semitic incidents, ranging from abuse to violence, and the

deplorable, disgraceful and disheartening activities in some university campuses, such as the appalling events at King's College London.

We are apparently seeing the convergence of the hard left and the hard right, lapsing into this grotesque world of an ancient hatred, often not only under the cover of criticism of the policies of the Government of Israel but also in opposition to the very existence of the state. I declare my interest as vice-chairman of the New Israel Fund. For all the criticism of Israeli policy, where, for example, are the protesters outside the Syrian Embassy or the embassy of Syria's supporter Russia?

It is particularly important that the three Abrahamic faiths work together to tackle anti-Semitism, which recent surveys suggest is higher among Muslim communities than is generally the case. Of course, there is good collaboration between the Community Security Trust and Tell MAMA and between local community leaders in many parts of the country, but this needs to be reinforced in our schools, colleges and universities.

2.44 pm

Lord Stevenson of Balmacara (Lab): My Lords, I will start by reading out a brief comment from my noble friend Lord Mendelsohn. Many of your Lordships know of his interest and commitment in this area. He would have been speaking here today, but unfortunately the trade debate, in which he is taking part, has overrun. I see a number of people have come in to listen to the concluding part of this debate, which is important. What my noble friend wanted to say is that he has a strong personal connection to these issues, not least the fact that his daughter is now at university, and he hopes that there will be an opportunity in the future to set out some of his trenchant views about what has gone on in our party. A number of other noble Lords have made these points already. He and I are particularly anxious that the issue of anti-Semitism is not just properly acknowledged, as it must be, and that it is recognised to come from many different quarters, but that it is seen to be best dealt with by nurturing our values, with, in the case of universities, a much stronger commitment than we have seen in the past to ensure that a culture of openness and diversity exists on campus.

In her excellent speech introducing this debate, the noble Baroness, Lady Deech, asked Her Majesty's Government what steps they propose to take to combat anti-Semitism both generally and in particular in universities. So there are both general and specific points to which the Minister must respond. We have had two very good reports recently. The best one is the Home Affairs Committee report, which is available here and has been widely discussed. It is as good as any of the best reports from the Lords committee system—that is very high praise indeed—and I recommend it.

To focus a little more closely on universities, the recent Universities UK task force deals—although perhaps not as much as many people would have wished—with anti-Semitism in universities. The report is quite clear when it states that there is no place for anti-Semitism or any other kind of unlawful discrimination in our universities. Although it may be that the number of

reported incidents is low, the report accepts that even a single incident is one too many. We all want our universities to be tolerant and inclusive places. As the noble Lord, Lord Sacks, put it so well, we want academic freedom but zero tolerance of those who practise or preach anti-Semitism.

There are questions for the Minister to answer in the time available to him. If he is not able to respond, I hope that he will write to us because this is such an important subject. The new guidelines place a duty on university authorities to engage more closely in incidents which may be a criminal offence. What discussions have the Government had with the universities on this issue? It is a difficult one. Are we confident that the new guidelines will ensure that any cases that might engage criminal proceedings will indeed be pursued with vigour?

Secondly, the Universities UK report recommends that universities develop and maintain partnership working as a fundamental component of preventing and responding to the sorts of issues we have been talking about. Can the Minister assure us that all that can be done is being done to ensure that the partners identified in this report, many of which are attached to central government, not only know that it is their duty to support staff and students in universities but will assist in delivering the necessary training and help to assess the nature and scale of the issues affecting universities? In the past the barriers have been too great, and they must be removed.

Thirdly, will the Minister consider whether there might be an opportunity in forthcoming legislation—for instance, the Digital Economy Bill—to provide a better regulatory framework for issues relating to the internet? This was mentioned by a number of noble Lords, including the noble Baroness, Lady Neuberger. The internet has become a place for trolling and worse, and behaviour of that type is not being curtailed in any way. I am obviously anxious that we do not see a backlash against it, but it is very important that we use the opportunities we have—there are not that many—to make sure that the legislative framework is appropriate for our aims.

Finally, will the Minister use this debate today to make it clear to all and sundry that the Government will be single-minded in their determination to make sure that every Jewish student has a safe and positive university experience?

2.48 pm

Viscount Younger of Leckie (Con): My Lords, I thank the noble Baroness, Lady Deech, for securing this debate. I will attempt to address, in brief, the main issues raised. As the noble Lord, Lord Stevenson, said, this is an important issue, and the passion that came out in many of the speeches today reinforces that point.

Britain is proud to be multi-ethnic and multifaith. As the noble Baroness, Lady Deech, said, it is also a good place to be Jewish. There is no place in our society for anti-Semitism or any form of harassment, discrimination or racism. Therefore, anti-Semitism is abhorrent, and we must take it very seriously.

As the noble Lord, Lord Sacks, mentioned in his speech, many noble Lords will have read in the *Times* this morning with dismay that a Member of this

House, the noble Baroness, Lady Tonge, hosted an event at which Jews were blamed for the Holocaust. I am sure that all noble Lords will join me in condemning this shameful display of anti-Semitism.

The UK has one of the strongest legislative frameworks in the world to protect people against incidents of violence and hate crimes and other forms of harassment, including racial and religious discrimination. The noble Baroness, Lady Deech, was very helpful in raising the issue of how one might attempt to define anti-Semitism. I am pleased to inform the noble Baroness that the Pickles definition she mentioned has been part of the operational guidance for police officers responding to hate crimes since 2014. The Government are currently reviewing whether the definition should be more widely applied. The Government know full well that there is more to be done. Anti-Semitism is a hate crime, and in 2015-16 UK police forces recorded 62,518 hate crimes. The Community Security Trust, which is the main recording medium, recorded 557 anti-Semitic incidents across the UK in the first half of this year. This is up from 500 incidents recorded in the same period last year.

I now turn specifically to universities, the subject of this debate. Twenty-seven anti-Semitic incidents were recorded in the first six months of this year, affecting students, academics, student unions and other student bodies. Eight of these incidents took place on a university campus and 15 involved social media. While this number is relatively low, one incident affecting one individual is one incident too many. We recognise the debilitating effect such incidents can have on students and the atmosphere of hatred they can create.

The noble Baroness, Lady Neuberger, among others, raised concerns about the level of anti-Semitism on social media, which is a very good point. The harm caused by anti-Semitism on the internet is a growing concern for the Government, and we have outlined a firm plan to hold social media companies to account in the recently published hate crime action plan. The noble Lord, Lord Sacks, mentioned the chilling effect of the boycotts, divestment and sanctions campaign on university campuses. I assure the noble Lord that this Government wholeheartedly condemn and reject the BDS campaign and strongly believe that it has no place on our campuses.

The question I am sure noble Lords will be asking and have asked is: what are the Government doing about this? The noble Baroness, Lady Neuberger, stressed the importance of leadership in tackling anti-Semitism, and that is why the Government have accepted and are acting on all 34 recommendations provided by the All-Party Parliamentary Group against Antisemitism following its 2015 inquiry, which communicated the reality of anti-Semitism on the UK Jewish community. For example, the Crown Prosecution Service and the police are working on publicising all arrests and prosecutions relating to anti-Semitism, underlining that public bodies take anti-Semitism very seriously indeed. Government's relationship with the Jewish community has been built on the solid work of the cross-government working group on tackling anti-Semitism. This ensures that we are alive to any issues and concerns of the Jewish community and can respond quickly.

[VISCOUNT YOUNGER OF LECKIE]

This is a tolerant country, and universities are an extension of that tolerance. Freedom of expression and academic freedom are fundamental principles, but not a licence to propagate hate speech. As the noble Lords, Lord Alton and Lord Beith, said, the Equality Act 2010 places a duty on all public bodies, including universities, to protect individuals from discrimination and harassment with the aim of helping them to feel safe and to live in an inclusive environment which respects their difference. Free, open debate offers the best tool available to challenge those who espouse intolerance or discrimination. It is vital that universities have policies and procedures in place to ensure that ideas can be heard and challenged in a safe and well-managed environment that allows for the free exchange of ideas without harassment or intimidation. The Government have an overarching responsibility to ensure that the laws of the land are upheld. This takes on board that universities are autonomous institutions, but it does not mean that the Government bear no responsibility. Universities clearly have a legal obligation to ensure that students do not face discrimination or harassment. The noble Lord, Lord Sacks, made some powerful comments on this very point.

We look to universities to have robust policies and procedures in place. The Union of Jewish Students and the CST provide guidance to universities on addressing illegal and unacceptable behaviour on campus, and some institutions have successfully addressed it. For example, as was mentioned in one of the speeches today, at the University of Birmingham the campus security staff have been very active in their attempts to protect the welfare of the Jewish student population. However, as a Government and as a society we cannot be complacent. One incident of anti-Semitism is one too many.

I turn to the more serious matter of the NUS, which was raised by the noble Baroness, Lady Deech, and the noble Lords, Lord Beith and Lord Mitchell. The NUS also has a role in ensuring that safeguarding, anti-discrimination and harassment policies are implemented on the ground. Sadly, as the noble Lord, Lord Mitchell, has pointed out, the actions and words of the current NUS president, Malia Bouattia, have undermined the positive engagement that Jewish students have had with the NUS for decades. I agree with the noble Lord that Jewish students' concerns about some of her comments have aroused disquiet. It is important that the national president acknowledges that her past rhetoric has caused much harm and that she apologises.

The noble Baroness, Lady Deech, referred to the payment from University of York Students' Union to Zachary Confino for suffering anti-Semitism. It is absolutely right that it should not be up to individual students to fight lengthy battles of this kind. I am aware that following this incident the University of York ran a day of inclusivity training for all staff, which is most welcome.

The noble Lord, Lord Alton, made an excellent and rather sobering point about how anti-Semitism, often called the world's oldest hatred, has the ability to morph from Palestine and Gaza and the role of the

state of Israel into a hatred of Zionism and incitement to hate Jews. This ability often to hide in plain sight is what makes anti-Semitism so dangerous. If I have got this right, the noble Baroness, Lady Ludford, described anti-Semitism as being a virus. She reminded us all of the importance of not holding Israel to a different standard.

The noble Lord, Lord Stevenson, the noble Baroness, Lady Deech, and the noble and right reverend Lord, Lord Harries, spoke about University UK's harassment task force report. In September 2015, the Government asked UUK to set up a harassment task force on violence against women, harassment and hate crime, including anti-Semitism. The right reverend Prelate the Bishop of Winchester said that anti-Semitism can hide behind respectability. I could not agree with him more when he says that universities must ensure that anti-Semitism is confronted whenever and wherever it arises on our university campuses.

The task force has brought together vice-chancellors of institutions, students, university experts and external organisations. It published its recommendations in its report last Friday. They set out clear, practical steps that institutions should take to prevent and respond to hate crime in all its forms, including anti-Semitism. We are committed to ensuring that the task force's recommendations are implemented, and we have asked UUK to scrutinise progress over the next six months. I make it clear that if we are not satisfied with the progress made, we will consider further action.

The work of the UUK task force and partnerships between the universities and organisations such as the Union of Jewish Students are important steps towards changing behaviours. While the Government are acting on many fronts to tackle intolerance and racism, we are never complacent. The effects of anti-Semitism on an individual can be devastating. The Government will diligently pursue our commitment to tackle intolerance and bigotry in whatever form and continue to work in partnership with public bodies and communities to support universities in the pursuit of eliminating anti-Semitism and all forms of harassment, discrimination or racism in universities.

I want to pick up a point made by the right reverend Prelate and the noble Lord, Lord Mitchell, about the importance of faith and interfaith. We are supporting faith communities because, frankly, practical co-operation between faith groups is crucial to the kind of society that we want to build. It is about people from different backgrounds coming together, not just sitting around tables but working together for the common good and tackling shared social problems. The Government have invested over £8 million in the near neighbours project run by the Church Urban Fund to build productive working relationships between people of different faiths at the local level.

I realise I am running out of time but there are two questions that I failed to answer.

The Earl of Courtown: You have run out of time.

Viscount Younger of Leckie: Then I feel I should stop there.

Immigration: Detention of Pregnant Women

Question for Short Debate

3 pm

Asked by Baroness Jones of Moulsecoomb

To ask Her Majesty's Government whether they plan routinely to publish statistical information on the detention of pregnant women under the Immigration Act 2014.

Baroness Jones of Moulsecoomb (GP): My Lords, I make no apology for returning to an issue that was discussed at length in this House earlier this year during consideration of the then Immigration Bill, now the 2016 Act, and which I raised again on 25 May, but I do regret having to do so. I feel that the Government have behaved badly here and I would like to hear an explanation. This is a vital issue that goes to the heart of the sort of nation we want to be and think ourselves to be. In the words of the Royal College of Midwives:

"Women who are pregnant are uniquely vulnerable in so far that they (and their babies) will always have specific, and sometimes serious healthcare needs which are time critical and may impact on health outcomes ... Given these risks, and the fact that pregnant women are very rarely removed by means of immigration detention, there is simply no justification for detaining pregnant women in immigration facilities".

To their credit, after more than a bit of nudging by this House, Ministers largely accepted that argument and Section 60 of the 2016 Act provides for a new 72-hour time limit on the detention of pregnant women. This can be extended to seven days if authorised by a Minister. In common with the Royal College of Midwives, the Royal College of Obstetricians and Gynaecologists, Maternity Action, Women for Refugee Women, Medical Justice and many members of this House, I believe that pregnant women should never be held in detention. I would have much preferred to see the Government agree to an absolute ban on such detention. In the words of Medical Justice:

"Even short-term detention can be harmful to pregnant women and their unborn babies".

As I said, the 72-hour time limit, which came into force on 12 July, represents a significant and very welcome step forward. However, if we are going to have confidence in this time limit and its effectiveness, and in the Government's stated intention to end the routine detention of pregnant women, it is essential that meaningful statistics on the detention of pregnant women be publicly available. On this, not only has there been disappointingly little progress since the noble and learned Lord, Lord Keen, told me on 25 May that the Government were considering how best to collate the information on detained women, but the Home Office has actually actively hindered efforts by Women for Refugee Women and others to monitor the use of detention and compliance with the new time limit. Since the Home Office started collecting information on the detention of pregnant women in August 2015, following a recommendation from Her Majesty's Inspectorate of Prisons, Women for Refugee Women has asked to access that data through freedom of information requests.

The Home Office took almost five months to respond to the first request, which was made in February this year, and did so only after the Information Commissioner's Office upheld Women for Refugee Women's complaint that the Home Office had breached Sections 1(1) and 10(1) of the Freedom of Information Act 2000 by failing to respond substantively within 20 days. Women for Refugee Women put in a second freedom of information request at the Home Office on 23 August, but as of today it is still awaiting a response and has been forced to lodge a further complaint with the Information Commissioner's Office. I find it a matter of concern that even after the upholding of a complaint by the Information Commissioner's Office, the Home Office still does not appear to regard responding to such requests in a timely manner as at all important. Its failure to comply with the 20 working-day period specified in the Freedom of Information Act hinders scrutiny of the use of detention of pregnant women.

More generally, I find it astonishing that five months after the Minister told this House that the Government were busy considering the options for the collection of data on detained women, we are still awaiting a mechanism for making that data publicly available. After all, we are talking—at least, I hope we are—about a relatively small number of women, so I simply do not see how difficult it can be. Once they have said that they might be pregnant and they have been examined, surely it is easy to collate that information. Ministers have asked us to accept that they have committed themselves to a new policy to minimise the number of pregnant women in detention. I am willing to accept that, if the Home Office would only make the tiny effort necessary to allow proper scrutiny.

Data collection aside, in June the Home Office issued a draft detention services order on the care and management of pregnant women in detention. It sought comment on the draft and stated that a final DSO would be published over the summer, but as of today it has yet to release that—not to mention that in the view of the Royal College of Midwives, the Royal College of Obstetricians and Gynaecologists, Maternity Action and a host of others, the draft DSO was absolutely inadequate. Accordingly, I have some questions to which I would very much like answers. I understand that it may not be possible for the Minister to give them all today, but I hope I do not have to go through a freedom of information request because obviously, that will take a long time.

I would like to know how many pregnant women have been held in immigration detention since the implementation of the new time limit on 12 July. How many of those women were held for more than 72 hours? How many were removed from the country and how many were released back into the community? When will the Home Office start publishing these figures and other data on a regular basis, and when will it publish the final revised detention services order? On a day when we have heard that the Government have been forced to pay out £14 million to 573 people who were wrongly imprisoned under immigration powers, and earlier this year an inspector's report said that Europe's largest detention centre near Heathrow was "dirty and run down", "overcrowded" and with "seriously insanitary" toilets and showers, it seems that something has to

[BARONESS JONES OF MOULSECOOMB]

be done. If we are a nation of people who pride ourselves on our compassion and upholding our principles, this is something that we need to deal with, and quickly.

Finally, I hope that the Minister can give us an assurance today that any further freedom of information requests on the detention of pregnant women will be dealt with by the Home Office in a legal and timely manner, and certainly within the 20 working-day time limit.

3.10 pm

Baroness Lister of Burtsett (Lab): My Lords, I thank the noble Baroness, Lady Jones of Moulsecoomb, for securing this short debate on such an important question. It takes most of us back to not exactly happier times debating the Immigration Bill, which became the Immigration Act 2016. At that time, I and others called on the Government to commit to making the statistics on the detention of pregnant women regularly available for public scrutiny. This was partly in response to the noble and learned Lord, Lord Keen of Elie, promising that he would continue to reflect on how best to create greater transparency concerning procedures.

Yet in place of transparency, we have a disgraceful situation whereby the Home Office appears to have done its utmost to block FoI requests submitted by Women for Refugee Women, despite a successful complaint to the Information Commissioner's Office. I, too, ask the Minister to explain why the Home Office is still failing to comply with requests in a timely manner, despite the ICO's ruling. Will she give a commitment that any future requests will be dealt with in a timely manner—not that an FOI request should be necessary in the first place? Will she explain how the Government plan to monitor the very welcome commitment to reduce the number of survivors of sexual and gender-based violence in detention? Will she commit to publishing the findings so that it is possible to assess how well the new policy is working?

During the last gasp of our debates on the issue of pregnant women, having failed to achieve the recommendation of the Shaw report that there should be an absolute exclusion on their detention, I expressed the wish that our colleagues in the other place might read our debates and,

“think about how, within the constraints of the legislation as it is, we could make this a more humane process”.—[*Official Report*, 10/5/16; col. 1.]

I hope we will use the opportunity afforded by this debate to do that now. In particular, I want to go back to an underlying issue that I raised during the debate on the Bill, which got a bit lost in the niceties of the wording of amendments. It is how we best achieve the Government's stated aim that the treatment of pregnant women should be:

“Similar to the arrangements put in place as part of ending routine detention for families with children”.

Indeed, it was claimed that the Government are using precisely that model, and yet my second amendment, designed to help achieve that aim, was rejected by the Government.

The family returns process to which Ministers referred has been successful in significantly reducing the number of children in detention. It is based on the principle of

engagement. Evidence from countries such as Sweden indicates that where engagement is embedded throughout the asylum process, it can reduce the use of enforcement and detention. According to Women for Refugee Women, to which I am grateful for its briefing, engagement generally takes the form of a case-management approach. Through this, ongoing structured practical and emotional support is provided to migrants and asylum seekers while they are going through the immigration and asylum processes, so that they are able to understand what is happening and participate fully in the resolution of their case while based in the community.

The evidence suggests that such an approach improves decision-making, particularly as women may be more willing to disclose information about what has happened to them. It can also help those who receive a positive decision to rebuild their lives more easily, having had practical and emotional support throughout the asylum process, but it also ensures a more humane and dignified process for those whose claims are ultimately refused. Comparisons between the experience of the UK, which relies so heavily on detention, and Sweden, where detention is much rarer, suggest that those refused are more likely to leave through voluntary return programmes in which policy prioritises engagement over detention. It is suggested that this is because people are more likely to accept a negative decision if they feel it has been reached through a fair and humane process.

Women for Refugee Women argues that engagement is not only more humane but more cost-efficient than detention, because operational costs are lower and it avoids resorting to forced deportations and potential compensation claims in the event of unlawful detention. It believes that this approach should also be considered for asylum-seeking women more generally, given their vulnerabilities and that many are survivors of sexual or other gender-based forms of violence.

I understand that Women for Refugee Women met the Immigration Minister in September to discuss these issues, and I would welcome a commitment from the Minister to continuing these discussions in the hope that we can make this a more humane process for this uniquely vulnerable group, in the interests of not just their health but that of their unborn children—a point made by a number of noble Lords during the debates on the Immigration Bill. Then, we can start to discuss how such an approach might help asylum-seeking women more generally.

I understand that a new draft rule contains a paragraph that states:

“when medical advice is given that locating the detainee in Rule 40/42 accommodation”—

that is, removing them from association or putting them in solitary confinement—

“would be seriously detrimental to a detainee's health or is life threatening, the multi-disciplinary team should urgently consider this advice”,

and that any decision to continue the use of rule 40 or 42 must be recorded, clearly stating the rationale. Surely, there can be no acceptable rationale for action that has been deemed potentially seriously detrimental to health or even life-threatening. I have not been able to find out the current status of this draft. Will the

Minister reassure us that this guidance is not and will not be contained in the final draft? It appears to fly in the face of everything the Shaw inquiry was trying to achieve.

3.15 pm

Lord Ramsbotham (CB): My Lords, I congratulate the noble Baroness, Lady Jones of Moulsecoomb, on obtaining this debate, and I thank her for it. I salute her persistent pursuit of the right course of action regarding the detention of pregnant women. I also thank the House of Lords Library for yet another comprehensive and helpful briefing pack.

My interest in the subject began in 1997, when as Chief Inspector of Prisons I was invited to take on the inspection of what were then called immigration detention centres. I immediately found that the detention of pregnant women was one of many issues demanding urgent attention. What was particularly disturbing was the lack of availability of reliable statistics with which to identify the scale of separate parts of various problems, and proper scrutiny was inhibited by a lack of information. Like the noble Baronesses, Lady Hamwee and Lady Lister, I was a member of the All-Party Parliamentary Group on Refugees that reported on the use of immigration detention in 2015 so, while not exactly having an interest to declare, I must admit to having form on the subject.

Like other noble Lords, I was very glad when in April this year the Government announced that a 72-hour time limit was to be placed on the detention of pregnant women, which could be extended up to a week. However, that this debate has been tabled so soon after that makes me wonder whether the Home Office is producing the required statistical information. That scepticism results from numerous examples of poor availability over the years, and is reinforced by the recent experiences of the charity Women for Refugee Women, which the noble Baroness, Lady Jones, has already spoken about. You would think that after being publicly castigated by the Commissioner for Information for having breached the conditions of the Act, any organisation would learn its lesson. Not the Home Office. I am sure the Minister will agree that this story is simply not good enough, and if the Home Office knows the facts it should be able to answer by return rather than having to be chased. This failure to produce data has been matched by the Home Office's failure to produce its promised detention services order, which the noble Baroness has also mentioned.

That leads me on to two other issues, not solely about statistics but about which statistics should be available: the definition of torture and the short-term detention rules, both of which affect pregnant women in detention. On 12 September this year the Government issued draft guidance on adults at risk in immigration detention, which did not adopt the wider definition of "torture" previously used in detention policy but, rather, the rather narrower one in the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, which limits torture to acts involving a public official. This conflicts with Stephen Shaw's findings and recommendations in his recent report, including that there should be a presumption against detention for victims of rape and other sexual

or gender-based violence. Therefore I have to admit that I was rather surprised by the Minister's assertion in answer to a Written Question from the noble Baroness, Lady Hamwee, that those most likely to be adversely affected by detention are those who have been harmed by the state. I ask the noble Baroness from where the evidence for this assertion comes and how it was gathered? The Government's time limit was based on evidence that pregnant women are extremely likely to be adversely affected by detention, which pregnancy may well have resulted from rape. Her assertion explains why I am also concerned that Home Office caseworkers should have appropriate statistical information available when considering a recommendation that any pregnant woman should be detained for more than 72 hours.

I now come to the conditions in which pregnant women are detained. When, as Chief Inspector, I expressed concern about the lack of facilities in detention centres, particularly for those detained for months or even years, I was told that they had not been deemed necessary because they were essentially only short-term holding centres. However, as their regimes did not appear to be geared to quick assessment and turnaround, I began agitating for the production of short-term detention rules which have since been promised over and over again. I thought, in vain, that we were there following a consultation on a draft in 2006 and again following a similar consultation in 2009. Yet again my hopes were raised and dashed following ministerial assurances that publication was imminent in connection with the Immigration Acts of 2014 and 2016, the latter accompanied by yet another consultation. Surely it should not take longer than World Wars I and II combined to produce a set of rules based on existing rules, but then this is the Home Office. I have to say to the Minister that I simply do not believe that officials have been so snowed under by new responses that they cannot produce something that allegedly has been so near completion for so long. In the past their habit has been to ignore submissions from outside sources, such as the Immigration Lawyers' Association. I therefore ask the Minister: how many responses were received?

Noble Lords will no doubt sense that I am a long-time critic of our current immigration system but, starting with my time as Chief Inspector of Prisons and repeated since in numerous reports and inquiries, I hope that I have been a constructive one. Currently, the system has a millstone of over 630,000 unresolved cases around its neck that prevents it being able to handle new applicants quickly, which situation is likely to get worse rather than better as numbers increase. Ministers can only make timely and accurate decisions if they are given timely and accurate facts which emphasises the importance of timely and accurate statistics. If the Home Office cannot even produce timely and accurate statistics about the small number of pregnant women in detention, what chance is there of Ministers being given the facts about larger problems? I therefore suggest to the Minister that it is Home Office Ministers rather than Members of this House who should be pressing for the regular publication of accurate statistical information on the detention of pregnant women, thus ending the stream of very valid complaints from the many organisations that are trying to help the Government look after immigration and asylum seekers,

[LORD RAMSBOTHAM]

including pregnant women, with the decency and humanity on which this country has always prided itself.

3.23 pm

Baroness Hamwee (LD): My Lords, I, too, thank the noble Baroness for raising the subject and the House of Lords Library for its briefings, which are wonderful. I hope I do not lose this one because it has so many helpful references in it. Like the noble Lord and the noble Baroness, Lady Lister, I, too, was a member of the All-Party Inquiry into Immigration Detention. Before I start my rant, I want to say that I am sorry that the layout of this room somehow seems to support an adversarial process when actually I suspect that everyone here would rather be sitting round in a circle, trying to find a solution.

One of the frustrations of the job that we all do—this must apply to Ministers most of all—is having a continual, nagging anxiety that practice differs from the theory that we discuss in such detail, and that the formal position is a world away from lived experience. It sometimes seems that a Minister’s briefing is a different reality and that we are working in parallel universes. Statistical information would help with this. It would not be the complete answer. There would always be comments that the criteria were poorly chosen and that such and such should have been measured, but statistics are a necessary component for judging practice and, of course, they are necessary for an open society. Statistical information may sometimes dispel myths; it may confirm one’s suspicions or even prejudices, but it always should tell us—this is a point that the noble Baroness made—what sort of society we are living in, as well as the one we hope to live in.

How pregnant women are dealt with for the purposes of immigration detention is not the only example of a concession given by the Government to get a piece of legislation through. Many of us, led valiantly by the noble Baroness, Lady Lister, wanted to see better protection than Section 60 of the Immigration Act, but the Government convinced parliamentarians of the validity of the provision. It is now a matter of good faith for the Home Office to demonstrate how Section 60 is operating. I am conscious of other matters that will be coming across the Minister’s desk—indeed, one of them has just been mentioned. Some noble Lords may have heard the programme on Radio 4 a couple of nights ago about the protection of overseas domestic workers, in which the Independent Anti-slavery Commissioner, Kevin Hyland, and James Ewins, who reported to the Government with recommendations, both expressed the view that that protection is not working as it should.

The guidance on adults at risk in immigration detention, on which the Minister recently answered Written Questions from me, to which the noble Lord referred, distinguishes between torture by the state and by non-state actors. I recognise that this is not the subject of this short debate but it illustrates a failure to see matters from the point of view of the individual affected. In the case of torture victims, are the numbers so great that the system would be overwhelmed if those were treated as two categories? Is there some

issue of comparative fairness? I am really quite puzzled by this. Will it be another frustration for the doctors from whom our inquiry heard about the operation of rule 35? There is no doubt they were very frustrated.

In the case of pregnant detainees, we understand that in 2014 the great majority were released to pursue their applications in the community. Again, what is the point in holding any of them? I am not sure that the more humane and effective approach taken in Sweden, which supports immigrants whose applications are unsuccessful and which we were told we were edging slowly towards, is actually happening to any extent at all. This leaves us with the same old question: what purpose does it serve to lock up pregnant women, not as a punishment but in administrative detention?

We may be told that these are nuanced issues, and that is inherent in Section 60 with its reference to “exceptional circumstances”—although of course Stephen Shaw said that it was a statement of the obvious that, “detention has an incontrovertibly deleterious effect on the health of pregnant women and their unborn children”.

For the purposes of this debate, and given the wording of Section 60, I accept that. One has to wonder, without the information, how the Home Office can know whether its policy is working and whether it is even meeting its own objectives. If the Home Office does not know, how can the rest of us?

Of course, the collection of statistics is not the same as publication and in May the Minister then dealing with the matter told the House:

“The Government are considering how best to collate the information and whether it will be necessary to actually publish it”.—[*Official Report*, 25/5/16; col. 388.]

It is necessary. The Home Office itself says so. The guidance includes, in paragraph 6, one of the principles underpinning the guidance:

“There will be a clearer understanding of how the government defines, ‘at risk’ and how those considerations are weighed against legitimate immigration control factors to ensure greater transparency about who is detained and why”.

I think that that makes the case.

3.30 pm

Lord Kennedy of Southwark (Lab): First, I join other noble Lords who have spoken in thanking the noble Baroness, Lady Jones of Moulsecoomb, for introducing this Question for Short Debate today. I very much agree with what she said. She raises a very serious matter that should be of concern to the whole House. By the publishing of regular statistical information, we are able to assess what the Government are actually doing on a whole range of matters, compared with policy objectives and pronouncements, and this is an area of both policy and action that requires a very detailed level of scrutiny.

It is my understanding that Section 60 of the Immigration Act 2016 provides for a 72-hour time limit for the detention of women known to be pregnant, and this may be extended for up to seven days only if authorised by a Minister. This policy, we have heard, was a compromise following a defeat in the House of Lords earlier this year on an absolute exclusion. A woman should be detained only if she will shortly be removed from the UK or if there are “exceptional circumstances”—I think that these exceptional

circumstances are listed as public harm and/or national security. The reason mainly given for detention, of course, is to ensure a person's removal from the United Kingdom.

It is my understanding that a pregnant woman needs an assessment of her fitness to fly if she is 37 weeks or more into her pregnancy and it is uncomplicated. I understand also that there are international air travel criteria that have to be complied with for any pregnant woman, not just those in detention. I hope we can all agree that having a reliable assessment in less than 72 hours in what can be described only as difficult circumstances will be a challenge, to say the least. My understanding is that matters such as prior medical history would ideally be considered and additional medical tests might also be required. I am aware of the review on vulnerable people in immigration detention, and the comments of the former prisons ombudsman, Stephen Shaw, to which other noble Lords have referred, on the damaging effect on the health of pregnant women and their unborn children.

It would be useful if the Minister could tell the Committee, as the noble Baroness, Lady Jones of Moulsecoomb, has asked, in the years for which figures are available, how many pregnant women held in immigration detention were deported direct from that detention and how many were released back into the community to pursue their cases there. I find it puzzling that the Home Office has been collecting data on the detention of pregnant women since August 2015, following a recommendation from Her Majesty's Inspectorate of Prisons, but that it has no plans to actually start publishing this information. The reason given is that it has not been assured to the standard of official statistics, which I find to be a very weak reason indeed. Will the Minister tell the Grand Committee what needs to be done to get this information to the standard of official statistics? Have the Home Office started doing that, and if not, why not?

Would the Minister also like to comment on the remarks of the noble and learned Lord, Lord Keen, when he told your Lordships' House earlier this year that the Government were considering,

"whether it will be necessary to actually publish",—[*Official Report*, 25/5/16; col. 388.]

the information at all. As I said earlier, Governments can come up with all sorts of policy announcements, objectives, plans and procedures, but unless we have some evidence as to what they are actually doing in specific areas, they cannot be held to account. As we have heard, FoI requests have been put into the Home Office and I think it is fair to say that the response times have fallen well below the expected standards for promptness of replies. As the noble Baroness, Lady Jones, has told us, the first FoI was complied with only following a complaint to the Information Commissioner and the complaint being upheld. We have also heard that the second one has still not been complied with. It feels like the Government are very reluctant to publish this information, and perhaps the Minister can tell us why. We need to know why these FoI requests have not been dealt with in a timely manner because it is not acceptable. Is it due to staff shortages or some other

reason? What is going to be done to get this information released in the expected timeframe?

The detention of vulnerable pregnant women should be something that never happens, and I think the Government would agree with that as a policy aim. So I say to the Minister that if that was achieved by the Home Office, the Government will receive only praise for having delivered on it. The present situation appears to be clouded in mystery and there is a reluctance to provide information. That leads to people thinking that the policy aim and pronouncements and the actual situation are miles apart, with little chance of ever being brought together, which is why the Government are so reluctant to release the information as it would confirm what the situation really is. That is a bad place for the Government to find themselves in and they would be better advised to allow the maximum amount of light to shine on where we actually are. We can then debate how we can get to a place where I think we all want to be.

I was very impressed by the contribution of the noble Lord, Lord Ramsbotham. He made a devastating critique, highlighting the policy failures at the Home Office. I await with particular interest the Minister's response to the noble Lord's points. I do not expect her to respond to everything I have raised, of course, but I hope that she can give a commitment to note any points that require a response in writing to noble Lords.

3.37 pm

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, I thank all noble Lords who spoke in this debate, in particular the noble Baroness, Lady Jones, who secured it. The issue of pregnant women in detention is a delicate one and understandably it is often quite emotive. Perhaps I may be clear on behalf of the Government that the decision to detain any individual under immigration powers is never taken lightly. As published Home Office policy already makes clear, detention must only ever be used sparingly and for the shortest period necessary. There is a presumption of liberty for any individual and our preference will always be that those who have no right to remain in the UK should leave the country of their own volition, but unfortunately that does not always happen. Where that is the case, regrettably detention may be necessary to enforce an individual's removal.

Where we decide that detention is the appropriate course of action, it is important that the individual is treated with respect and dignity for as long as they remain in our care. To underline this commitment, in February 2015 my right honourable friend the Prime Minister, when she was still Home Secretary, announced that she was asking the former Prisons and Probation Ombudsman, Stephen Shaw, to undertake a review of the welfare of those in detention, to which the noble Baroness, Lady Lister, referred. Mr Shaw's comprehensive *Review of the Welfare in Detention of Vulnerable Persons* was published under cover of a Written Ministerial Statement in January. It made a number of recommendations addressing detainee welfare and vulnerability, including in relation to pregnant women.

[BARONESS WILLIAMS OF TRAFFORD]

The Government accepted the general thrust of Mr Shaw's recommendations. We were not, however, persuaded by his recommendation to completely exclude pregnant women from detention in future. Home Office detention policy has never been based on excluding entirely any particular group of persons, including pregnant women, from detention. There will be occasions in which it is both appropriate and justified to detain a person, even if they are vulnerable in some way. For example, a pregnant woman might pose a risk to the public which would make her detention in the public interest and outweigh the fact of her pregnancy. There is a need to keep the capability to detain at the border, pending removal, if entry is refused.

The Government listened to concerns about the detention of pregnant women. During the passage of the Immigration Act 2016, to which many noble Lords referred, we introduced statutory limits on periods of detention of any woman who we are satisfied is pregnant. Section 60, which came into force on 12 July, restricted the circumstances in which a pregnant woman who is being removed or deported from the UK may be detained. Detention of pregnant women is limited to a maximum of 72 hours, although there is provision—as the noble Lord, Lord Kennedy, pointed out—for this to be extended to an absolute statutory maximum of one week in total, only in exceptional circumstances. Ministerial authorisation must be obtained for any extension beyond the 72-hour point, to ensure that periods of detention are kept to a minimum and to provide an effective safeguard against the risk of the longer period of detention being used inappropriately.

Most noble Lords asked about the numbers of women in detention. There are no women in immigration detention today recorded as being pregnant. Since July, when the Immigration Act came into force, the total number of women recorded as being pregnant while in detention is 15. None of them were detained beyond the statutory limit bar one, where there was ministerial authority. That means obviously that 14 were detained up to 72 hours.

We do not propose to publish statistical information routinely on the detention of pregnant women. Such information would be limited by caveats as to scope and accuracy, given that it could relate only to those women known to be pregnant. In addition, any statistical information would not in itself provide a fully accurate, rounded picture unless it was accompanied by a detailed narrative on the circumstances of the individual cases, which would not be appropriate, not least given the risk of identifying particular individuals. For the same reasons, the Government do not propose to provide a running commentary on the numbers involved.

The legislation, as I have just discussed, also imposes a duty to have regard to the pregnant woman's welfare in deciding whether or not to detain. This might include matters such as whether there have been complications with the woman's pregnancy. The Home Office published comprehensive guidance for its caseworkers on the detention of pregnant women. That covers the general principles to be considered in deciding whether to detain a pregnant woman, consideration of the duty to have regard to the pregnant woman's welfare, the operation

of the detention time limit, and the procedures in exceptional cases for seeking ministerial authority to extend detention beyond 72 hours.

There will be occasions, particularly where a woman is in the early stages of pregnancy and not visibly pregnant, when it is possible that her pregnancy will come to light only after she has been detained. That might be because she does not want to disclose her pregnancy, or she might not even be aware yet that she is pregnant. The Section 60 restrictions still apply in such cases, with the 72-hour time limit being calculated from the point at which the Home Office accepts that the woman is pregnant.

To support the new statutory arrangements, we published a new operational instruction on the management of pregnant women in detention. All staff working in immigration removal centres, including healthcare staff, must follow this. It covers matters such as the woman's welfare during her transfer to her place of detention, her care while in detention and the arrangements for her removal.

The Home Office has now introduced its new adults at risk policy for the detention of vulnerable persons, in direct response to Stephen Shaw's recommendations. Under Section 59 of the Immigration Act 2016, the Government laid before Parliament draft statutory guidance on the policy in July. This guidance came into force on 12 September. Although the policy applies to all detainees considered vulnerable, it provides additional safeguards for pregnant women, beyond those set out in the 2016 Act. The starting point of the policy will be that an individual considered to be at risk in the context of the new policy should not be detained. This builds on the general presumption against detention and will be displaced only when the immigration factors outweigh the contention that the individual in question is at risk. The underlying principle is that the greater the weight of evidence of risk, the weightier the immigration factors need to be to justify detention.

Under the adults at risk policy, individuals are considered to be at a particular level of risk depending on the type and quality of the evidence available in their particular case. The mere existence of a woman's established or accepted pregnancy will place her automatically at the highest level of risk. As a result, the pregnancy will be afforded significant weight when assessing the risk of harm in detention and require weightier immigration factors to be present to justify authorising or maintaining detention. The position of pregnant women in the context of immigration detention has changed. The combined effect of the statutory restrictions on the detention of pregnant women and the introduction of the adults at risk policy, with its specific protections for pregnant women, ensures that pregnant women will be detained only in very limited circumstances, for very short periods, and only when such action is justified, taking full account of the likelihood of risk to the woman in question. This strikes the right balance between recognising the inherent vulnerability of pregnant women, particularly in relation to detention, and the need to secure our borders and maintain effective immigration control.

The Home Office has never detained pregnant women in large numbers. Previous Home Office detention policy was clear that pregnant women should be detained only in very exceptional circumstances. Although the Home Office began collating data on the detention of pregnant women only comparatively recently, anecdotally, numbers have always been small. We expect the statutory restrictions introduced in July and the more recent implementation of the adults at risk policy to reduce those numbers still further.

The noble Baroness, Lady Jones, asked about the publication of the DSO. It will be published in November, which is some time from next onwards for four weeks. The noble Baroness, Lady Lister, asked about FoIs. We take our responsibility under the FoI Act seriously. FoIs are being dealt with as a matter of priority. On 29 September, we answered an FoI on pregnant women statistics that we had received from Medical Justice.

The noble Baroness also asked about the Family Returns Panel, which has proved so efficient and effective, and how lessons can be learned from that in detaining and removing pregnant women. In addition to the time limit that now applies to the detention of pregnant women, we are putting in place a robust package of safeguards, including: the duty to have regard to the welfare of the woman; detaining only if removal is due to happen shortly or, if there are exceptional circumstances; the adults at risk policy, which I have talked about; and improvements to the caseworking process when managing vulnerable persons. Taken together, those developments will ensure that detention is used sparingly and for the shortest period of time when it becomes absolutely necessary to detain pregnant women who will not leave voluntarily. We do not believe that oversight by the Family Returns Panel would add any further safeguard, although I accept that it has been a very effective process.

The noble Lord, Lord Ramsbotham, asked why we limited the definition of torture for adults at risk to that set out in the UN Convention against Torture. The Government adopted that definition as it most accurately reflects the need to protect those who are the most likely to be adversely affected by detention, which is those who have been harmed by the state or by an organisation exercising similar control and for whom detention is most likely to be redolent of the harm that they suffered.

The noble Lord also asked why the STHF rules have still not been made. The Home Office undertook a targeted consultation of detention stakeholders on the draft set of short-term holding facility rules earlier in the year, and the responses received were extremely detailed and will take some time to go through. However, that process is almost complete. He asked how many responses there were to the consultation exercise. There were 10.

The noble Lord, Lord Kennedy, asked at what stage of pregnancy the Home Office considers flying to be inappropriate. A pregnant woman's fitness to travel by air, and therefore whether it is likely to be possible to remove or deport her, is assessed on a case-by-case basis using guidance from the IATA. The guidance states that for a single uncomplicated pregnancy, travel would be appropriate without a medical certificate up to 37 weeks.

My time has run out by a minute. If I have not answered any questions, and I suspect there might be a couple from the noble Lord, Lord Kennedy, I will do so in due course. I thank all noble Lords who have taken part in the debate.

3.51 pm

Sitting suspended.

Armed Forces: Foreign Language Speakers *Question for Short Debate*

4 pm

Asked by Lord Harrison

To ask Her Majesty's Government whether the United Kingdom has sufficient speakers of foreign languages serving the Armed Forces and defence services.

Lord Harrison (Lab): My Lords, "Parlez-vous Brexit?" was the eye-catching headline in last weekend's *i* newspaper after suggestions that the designated EU Brexit commissioner, Michel Barnier, might insist that the forthcoming EU/UK Brexit negotiations are conducted in French. Twice I took our EU Financial Affairs Sub-Committee to Brussels to interview M. Barnier in his role as financial affairs commissioner, and I took care to address him in French. Speaking to someone in their own language is not only a mark of respect and welcome, manifesting an eagerness to listen and learn, it is also downright common sense. We have lost that art and our self-inflicted defenestration from the European Union will only further impair our ability to make and influence friends, nowhere more so than in our engagement with partners in the defence of the realm, in the armed services, diplomatic corps and intelligence services.

As a recent copy of the *Soldier* magazine declared: "Many of our forebears would have been embarrassed to see how little knowledge we arrived with in Iraq and Afghanistan ... our great grandfathers ... spoke the language and knew the people". That was quoted in the *Daily Telegraph*. It goes on to suggest that the Government will not entertain promotion in the Army above the rank of captain for those without a foreign language. The programme started in 2015 and comes into full play in 2018. Could the Minister confirm that that is the case? What numbers of personnel have embarked on such training? What level of language skill—passing, competent or fluent—is expected? What particular languages and what numbers are envisaged over the next 10 years? Will the Minister further confirm that the method of achieving success in language acquisition will be part of an exchange programme between nations where UK personnel are encouraged to go on exercises to learn languages at the same time that we help to train the receiving country?

Before we can make an effective judgment on Britain's capacity to defend itself through language competency, we urgently need facts and figures. These have been conspicuously absent despite numerous Written Questions from me. I hope the Minister can provide us with real and verifiable figures. He told me in a Written Answer earlier this year that some 700 armed services personnel hold a language qualification but there is no notion of how that compares with 10 or 20 years ago. Similarly, the category of expert speakers is but 132 out of that 700. How does that compare with 20 years ago?

[LORD HARRISON]

Crucially, does it match our current operational needs? How is it assessed and who by? We are told that the services hold competency in 48 languages but how does that compare with the past? What and where is the distribution of these languages, and where is the flexibility to learn new languages as changes happen? Is that 48 sufficient?

When discussing this topic with my noble friend Lord West, he told me that we need to use the Army and services' reservists more to build up language competency. Does the Minister agree and does he have plans to do so? Indeed, what assessment and analysis has been made of the Defence Centre for Languages and Culture in terms of its capacity to meet the real language needs of the services? How does this compare with our erstwhile partners in the EU where languages are commonly learned and spoken as compared with the UK, a "proud nation of monoglots"?

HMG have recently replied to the House of Lords Select Committee on Soft Power. They are lukewarm to the suggestion that there should be an audit of language skills of civil servants across all departments, as proposed by the committee which,

"would bring sizeable advantages for officials working overseas or with foreign counterparts".

Can the Minister tell us what the funding is for the FCO's language centre and what we are going to do about this gaping hole of spoken languages acquisition? Are we increasing the budget to try to fill it? Similarly, are there sufficient funds to enable the Defence Centre for Languages and Culture to fulfil its crucial job? I highlight in particular its Operational Languages Award Scheme to incentivise MoD personnel in language skills. We urgently need more knowledge and transparency about our language holdings. Given that for cultural reasons the British have never revelled in language skills, Britain lacks the home grown linguists which most countries have.

Having said that, what greater efforts might the MoD make to recruit from our indigenous communities found here in Britain, especially from the subcontinent? Similarly, we are told that London is home to some 300 spoken modern languages. How many are mobilised to serve our defence and intelligence services? GCHQ, our largest employer of linguists, insists on recruiting only United Kingdom citizens, but is that wise? Are we not cutting off our nose to spite our face when we enforce that? Indeed, will the Minister tabulate the shortages in GCHQ of certain crucial languages, known to be Mandarin, Russian and Arabic? How much retraining of modern languages graduates does GCHQ do for the scarce languages which have to be used from time to time? Again, may we have the numbers, please?

In our universities is it time that we followed the example of UCL in requiring a foreign language GCSE as compulsory for all entrants? When I was at school, entry to Oxbridge required Latin, thereby breeding a generation of brash, bumbling Borises. At grammar school in Oxford I was taught to speak a dead language, Latin, while French was unspoken and confined to reading the texts of Racine and Corneille. Given the many unfortunate policies of successive Governments,

must we not concentrate on in-house tuition in the armed and intelligence services while radically remodelling the primary and secondary long-term contribution?

Finally, on the role of the FCO in supporting our defence and armed services, the noble Lord, Lord Kerr, tells how when he was Permanent Secretary, some 500 people spoke Arabic, but now the figure is 131. Is that not sheer madness? Embassies are now increasingly geared to promoting trade and business, all needed in the lonely post-Brexit world, but our foreign embassies still need to do their regular job of intelligence gathering for the defence of the realm—a Government's first duty to the people. On a parliamentary visit to Estonia in April, I met General Wes Clark and General Sir Richard Shirreff, also visiting NATO's local HQ as well as the Russian border and the college serving the Russian-speaking minority of Estonians. We heard the good news today that the UK is posting 800 personnel to help our Estonian colleagues inhibit a Russian incursion but can the Minister find out for us how many of those 800 are language experts in either Estonian or Russian?

The news this morning that sixth form colleges are axeing French, German and Italian from their core curricula is deeply disappointing, but my task in today's debate is to suggest that HMG must rely on the defence and intelligence services to plunder home-grown language skills. We must make do and mend because we cannot wait for the schools to do the job. Before I came into this debate I was stopped by one of the Doorkeepers who told me that when he was on pre-deployment in the Army, he learned languages from people with language skills here in the United Kingdom. After that they could go on to the Army language centre. This is an important issue which has not been covered and I am very pleased to begin today's debate.

4.10 pm

Earl Attlee (Con): My Lords, I remind the Committee that I still hold a commission in the Reserves, although it is extremely unlikely that I will ever be active again. I am grateful to the noble Lord, Lord Harrison, for initiating this QSD.

There are many difficulties with engaging local interpreters on an operation. It is hard to be sure that they are reliable and secure. It puts the interpreters in a difficult position when we eventually withdraw, and even when they go home, perhaps at the weekend. Noble Lords have frequently debated the difficulties that we have incurred with regard to honouring our moral obligations to locally employed interpreters from our operations in Afghanistan.

Another difficulty with local interpreters is that the other local party will try to negotiate with the interpreter rather than the British officer. It is of course possible that the discussions that the interpreter and the local party are engaged in are nothing at all to do with what the British officer thought they were supposed to be talking about. Fortunately, I assure the Committee that in my personal experience, pre-deployment training in the British Army includes how to use an interpreter. It is not like what we see in films when an interpreter has a long chat with the other party; in fact, you carefully let them use only one sentence at a time. It is therefore much more difficult for them to start going off-piste.

Being able to speak the local language is a huge advantage. When I was engaged in international work in Rwanda, I will never forget the look of horror on the face of the government official when I turned up without a local interpreter and started speaking French. I expect this was on two counts: first, the lost advantage for him of working through a local interpreter and, secondly, my not particularly good French. On many occasions they suddenly remembered that they could speak English after all. If one does have to use a local interpreter, only a basic working capability in the local language will be needed to ensure that the interpretation is reasonably reliable and not going off-piste.

The short answer to the noble Lord's question is no. The first reason is that we do not know which local language will be applicable to the next major operation, or whether it will be enduring or just a short intervention. Of course, as the noble Lord indicated, there is a need to have modern European languages, but I am talking particularly about the local language of the operation. It is simply not worth investing in huge amounts of language training that may never be needed. All that I have said is perfectly understandable, and I think the noble Lord agrees.

The second reason is not so good, and it is that we are very poor at putting in place a language capability even for enduring operations. So far as the regular Army is concerned, incentives for service people to acquire a capability in the local language of current operations are available, but I am not convinced they are sufficient to encourage so many to take it up that the need for local interpreters is significantly reduced.

How much overall do we pay service people to maintain the capability to deploy by parachute drop, and how does this compare with how much we pay in incentives to have the capability in the local language of any operations? I asked a Written Question about when we last deployed at company strength by parachute drop. Apparently it was the second most unhelpful Question that the MoD could be asked. The first is something to do with the RAF, although to be fair the answer to that question has a lot more to do with a successful defence policy over many years.

It is not just officers who could benefit from language training. A full corporal in the regular British Army is an extremely capable person but it may be that his trade, or his type of unit, is not required for the current operation. If they are any good, they will be desperate to "go on tour", as they say. Being an interpreter for, say, a local liaison officer would be a fabulous opportunity for a junior NCO. Only a fairly modest financial incentive would be needed to encourage regular NCOs of any service to acquire a language of a current operation, and, of course, a certain proportion of service people will turn out to be gifted in languages.

I turn to the Army Reserve, mentioned by the noble Lord, Lord Harrison. To be honest, a junior direct entry reserve infantry officer with no previous regular service would find it hard to get the chance to deploy in role on an operation; it really does not happen that much. I will spare the Minister's blushes by not asking how many such officers we have.

Suppose that in 1993 a junior TA officer, on his own initiative, learned to speak Serbo-Croat at conversational level—possibly achieved by engaging

with a local diaspora. In the mid to late-1990s, he or she would have been able to deploy in operations almost as often as desired. The military skills of such an officer would be perfectly adequate for the role of interpreter or local liaison officer, and they could have a very fulfilling tour.

My counsel is that we should have much better financial incentives for regular service people at junior level, both officer and enlisted, who acquire an operational local language as directed. We should also very strongly encourage reservists to acquire the operational local language with the clear expectation that they would be able to deploy. It needs to be managed. If we had this policy in place, we could increase our operational effectiveness and reduce reliance on local interpreters, with all the ensuing problems. Finally, I say to my noble friend the Minister: good luck with the Treasury.

4.17 pm

Lord Wilson of Tillyorn (CB): My Lords, I am grateful to the noble Lord, Lord Harrison, for raising this subject, a very important one indeed. I declare an interest relating to one language at least: Chinese. I am president of the Scotland China Education Network, which, under the energetic leadership of Dr Judith McClure, promotes the teaching of Chinese in Scottish schools.

I do not know how many noble Lords here this afternoon have read a 1950s book by Eric Newby called *A Short Walk in the Hindu Kush*; there are some who have read it. It is the most wonderful account of a journey to the Hindu Kush, the formidable mountain range between Pakistan and Afghanistan, by a very amateur group that included Eric Newby and one Persian-speaking young diplomat. At the end of their expedition, as they are coming down, they meet, coming up into the mountains, that very great traveller, Wilfred Thesiger. He insists that they should stay and have supper with him. In the exchange, Thesiger says, "Slight problem here. I can't speak a word of the language. Still, it's not really necessary". Then he turns to the cook, who has only just been employed that morning and has never met another Englishman in his life and certainly does not speak English, and says in a loud voice, "Make some green tea, a lot of chicken and rice—three chickens", and it is done.

I suggest that there are two morals to this story, which is a caricature of that very great traveller, Sir Wilfred Thesiger. He was a real expert. He had twice crossed the Rub al-Khali—the Empty Quarter—in Arabia. He travelled in the country with the Marsh Arabs in Iraq; he travelled extensively in north Africa. He really knew the Arab world. But the second moral is: it is no good if you are outside your area of language comfort, relying on speaking English in a loud voice. It does not do, as has just been said by the noble Earl, Lord Attlee.

As the noble Earl, Lord Attlee, has said, an interpreter has to be used on some occasions but an interpreter is not enough. It is not simply a question of whether your interpreter is having a different conversation from the one you want him to have; it is that only by knowing a language do you really have an understanding of the culture, the history and the customs of the

[LORD WILSON OF TILLYORN]

people you are dealing with. That is key. It seems that in recent conflicts in Iraqi and Afghanistan that sort of expertise and local understanding was badly needed, and surely it is equally true of the highly complex situations in Syria and Libya that we need real expertise and understanding. That is as true for the intelligence services and GCHQ as it is for the military.

Unfortunately, as has just been said, we are increasingly bad at teaching foreign languages in schools, and we seem to have taken it as perfectly normal that we should reduce the amount of effort that goes into learning foreign languages. There are one or two bright spots, thank goodness. I mentioned the Scotland China Education Network. Two weeks ago I went to a meeting of that body at a school in Perthshire, and every person in the entry year was learning Chinese. They did not have to go on doing so but they did have to go on learning at least two languages throughout their time there. It was giving them an introduction to a difficult foreign language and its culture, which is as important as it is to learn the language itself. We need much more than can be taught at school. We need, in our intelligence services and our Armed Forces, experts in the hard languages that are never going to be taught in our schools.

We had a debate earlier this year on the funding of the Foreign Office in which I asked the Minister, the noble Earl, Lord Courtown, to give me figures, which he later gave in writing, about the number of people who had studied hard foreign languages in the Foreign Office. The figures he gave were very interesting; they were slightly better than those given by the noble Lord, Lord Kerr. For instance, 14 people were studying Mandarin and the Foreign Office had 44 registered speakers of it, while 34 were studying Arabic, with 51 registered speakers. That is encouraging, and with it comes a greater concentration in the Foreign Office on local expertise and taking it seriously. It would be interesting to know whether that is true of the Armed Forces as well.

It would be useful if the Minister could give figures, perhaps afterwards, for some of the key hard languages. The ones I am thinking of that are going to be needed over a considerable period are Afghan Persian, or Dari, and Pashto, the two main languages spoken in Afghanistan, and Arabic. I do not think we can legitimately ask for the figures of those in the intelligence services who speak hard languages, but it would be useful to have an assurance that having a sufficient number of people in command of those key foreign languages in the intelligence services is seen as essential.

4.23 pm

Baroness Coussins (CB): My Lords, I, too, congratulate the noble Lord, Lord Harrison, on securing this debate. I must declare various interests: I am co-chair of the All-Party Parliamentary Group on Modern Languages, president of the Speak to the Future campaign and vice-president of the Chartered Institute of Linguists.

I want to put on record at the outset, before I go into a more critical tone, my huge admiration for the work being done by both the Foreign and Commonwealth Office language centre and the Defence Centre for

Languages and Culture. As the British Academy's report *Lost for Words* put it, these two establishments are,

"potential beacons of commitment to language learning across government".

I hope this debate today will result in that commitment being strengthened even more.

There is a great deal of robust evidence about the need for, and the lack of, language skills in the Armed Forces and defence services. For the purposes of this debate we should include security and diplomacy within our terms of reference. Indeed, Sir Richard Ottaway MP, former chair of the Foreign Affairs Committee in another place, said that the language skills issue had been highlighted in almost every inquiry his Committee had undertaken since 2010. Similarly, in your Lordships' House, the issue has been raised in a number of important Select Committee inquiries. The noble Lord, Lord Harrison, referred to the report on soft power in 2014. Evidence to the EU Committee's inquiry, *The UK and Russia: Before and Beyond the Crisis in Ukraine*, on which I had the privilege to serve, included a remark from a former UK ambassador to Russia that UK diplomacy had,

"suffered because of a loss of language skills, particularly in the Foreign Office".

This view was echoed last year by the report of the House of Commons spending review of the FCO, saying that,

"the FCO has lacked the expertise, analytical capability and language skills to manage the fallout from the Arab Spring and the crisis in Ukraine".

Publications from highly respected non-parliamentary and non-governmental sources have reached similar conclusions. The British Academy's *Lost for Words* report said:

"It is clear that the lack of language skills among British officials and armed forces is both embarrassing and risks putting the UK at a competitive disadvantage".

The University of Cambridge's report earlier this year, *The Value of Languages*, said that:

"The crucial role of language and cultural understanding in the work of the armed forces was brought home in recent experiences in Iraq and Afghanistan".

Our forces' reliance on locally employed interpreters is well known, including some controversial issues to do with their treatment post-conflict. However, as *Lost for Words* points out, over-reliance on native translators carries significant risks for patrols as well as, in some cases, the locals themselves. Language needs can be highly specific and exacting. Getting the accent or dialect variation wrong can have significant consequences.

Nevertheless, the Army certainly seems to be ahead of the game compared to the other armed services. The Cambridge report that I quoted from earlier, for example, refers to the fact that the Army has a comprehensive languages policy which includes identifying personnel with language skills including so-called heritage language speakers. The Army is developing an effective examination system for identifying language competences that can then be called on and used at short notice whether for operations or urgent tasks. Languages are valued, literally, with an award scheme that pays out supplements on a scale depending on usage. The Army

is now funding 2,500 soldiers a year to acquire a basic language skill, equivalent to the A2 level of the common European framework.

Will this commendable and comprehensive approach from policy to payment be adopted across the other armed services? Will the Minister commend the Army's example of auditing personnel with language skills as an exercise that should also be conducted comprehensively across the Civil Service? This was one of the British Academy's recommendations—as the noble Lord, Lord Harrison, mentioned. It has always struck me as a no-brainer, and a relatively cheap one at that, if we are serious about needing to find out what language skills we already have at our disposal. Quite apart from the ambit of today's particular debate, this is a crucial resource to know about in the context of Brexit and post-Brexit negotiations.

Could the Minister also confirm that there will be no reduction in the budget allocated to the FCO for its language centre and that there will be more rigorous attempts to improve on the target level attainment for languages in key regions such as the Middle East and north Africa? The low targets achieved here seem to somewhat undermine the good work being done by the language centre and to fly in the face of the very positive launch given by the then Foreign Secretary—now the noble Lord, Lord Hague—when the centre was reopened in 2013. I also question whether the FCO is drawing in as many civil servants from other departments as originally envisaged, as I understand that the centre was meant to be a resource for the whole of government.

Finally, I would like to say something about the supply chain of language skills in the UK. It is all very well that the FCO and the Defence Academy are doing what they can to plug the immediate gaps that they face—and thank goodness that they are—but we also need to change the whole culture around learning foreign languages in this country and vastly to increase the number of school pupils and university students who are doing so. GCHQ, for example, suffers from the shortfall in our education system, which produces too few people competent in Mandarin, Arabic and Russian. Only six state schools currently teach Arabic on the timetable and only 16 universities out of 130 teach it. Only 1% to 2% of state schools currently offer Russian and only 14 universities offer Russian as a single honours degree, with none at all in either Wales or Northern Ireland and only three in Scotland.

The irony is that in the UK we have over 1 million school pupils who are bilingual, but all too often this is seen as a problem, not as the asset that it really is. Far more of these children should be encouraged to pursue academic qualifications in their other languages. I ask the Minister whether he will work with the Department for Education to look at ways in which the languages considered to be of particular importance to the armed services and defence and security needs more generally can be made more mainstream, so that more children study them to a higher level.

All the major studies that have looked into this issue have concluded that there needs to be government-wide co-operation on language skills. We should build on the existing cross-Whitehall language focus group, which already includes GCHQ, the Defence Centre

and the MoD. Such a cross-cutting approach would also meet the call from the All-Party Parliamentary Group on Modern Languages, which last week published a checklist for Brexit negotiators, pointing to the language needs of business and research, as well as security, defence and diplomacy.

Language skills and cultural knowledge are now deemed essential not just in military operations but in peacekeeping, post-conflict and conflict prevention. Language skills are everybody's and every department's business and it would be doing the UK a great service if the leadership already shown by the Army could be the catalyst for a truly national strategy for all ages and stages of education and learning.

4.32 pm

Lord Tunnicliffe (Lab): My Lords, I thank the noble Lord, Lord Harrison, for introducing this debate and for his contribution, which among other things centred on the availability of information. The contribution of the noble Earl, Lord Attlee, about local interpreters was very useful. He seemed to conclude that we cannot do more to have our own capability, but I certainly take the view that we should. The noble Lord, Lord Wilson, stressed the importance of real expertise and noted the increasingly bad performance in schools. I thank the noble Baroness, Lady Coussins, for pointing to the light among the gloom, particularly in relation to the Army, and for making the important point that there is an intrinsic skill in our population, an issue to which I shall return.

The protection of the British people is the first priority of government. We, as the Opposition, remain committed to Britain's NATO membership and to spending 2% of GDP on defence. We will stand up for our Armed Forces and ensure that they have the best support. That means leadership, equipment and training, and it is a particular aspect of training and support on which this debate centres.

War has changed. State-on-state wars ending with unconditional surrender and unresisted occupation, as in the Second World War, are becoming an out-of-date concept. The Cold War kept the ideas alive for some time, but recent wars or, perhaps more correctly, armed conflicts have been messy affairs. Enemies have been unclear. Sometimes they have been of the people; they have frequently been among the people and indistinguishable from the people. Targeted aid and diplomacy—winning hearts and minds—have been at least as important as the ability to deliver lethal force.

A key barrier to success has been communication and language. Therefore, I ask the Minister to what extent he agrees with my analysis and to what extent the Government have conducted a lessons-learned exercise into recent conflicts. In particular, have they been able to determine the extent to which better local language capability might act as a force multiplier in future “boots on the ground” deployments? Further, would such language capability improve performance if extended to DfID operatives and diplomats working in crisis situations?

To flesh that out slightly, we have an Army, what is it there to do? If it is fighting a tank battle in East Sussex, something has gone terribly wrong. Yes, the Army must be capable of offering a credible conventional

[LORD TUNNICLIFFE]

opposition on NATO's borders, but the overwhelming probability of the future is that the Army will be deployed in very messy situations—insurrections and potential civil wars—working in a local environment where English is not the language. Consider the difference in performance between a unit arriving with its own local language capability, compared with all the problems of recruiting interpreters, getting to know them and getting to work out whether you can trust them.

I have to admit, somewhat ashamedly, that I have no residual foreign language capability. However, this has not stopped me thinking about language and the role it plays. I believe that it probably has three roles. The first is direct communication—giving orders and warnings, and seeking simple intelligence. The second is understanding the society and culture in which one finds oneself, and the third—this is the bit that eluded me as a young person—is understanding how people think. At one point I was responsible for all British Airways overseas staff. When I visited them, they would constantly explain to me how the fusion of language and culture would influence local people, officials, diplomats and politicians. Does the Minister agree that, as soft power and foreign aid merge, greater language capability will pay back the investment with significantly enhanced effectiveness?

Teaching a foreign language takes many forms. My own, traditional experience led to a marginal O-level in French with barely any conversational capability. On the other hand, peers of mine went on to do modern language degrees. My charming German neighbour learned her English in the age-old way. She was a young lady in war-torn Cologne who met a young Royal Air Force meteorologist, part of the occupying power. Magically, she learned to speak English and he learned to speak German. They were married for 50 years. I give these examples to illustrate the range of different ways of teaching a language and to make the point that careful analysis of what capability is required, particularly verbal—or conversational—capability, and to whom it is being taught, may lead to more efficient training than traditional methods. Are the Government planning to increase language training, and will they make a careful analysis of available techniques?

The United Kingdom, as the noble Baroness, Lady Coussins, noted, enjoys a rich and diverse cultural base. Immigration over centuries has created this. Many recent immigrants whose mother tongues are from areas where problems may arise have themselves struggled to learn a foreign language—English. Most will not have any formal teacher training, but they speak their native language. Particularly, they speak the language of the streets. These may be the streets and fields where our troops and aid workers may need to be deployed in future. Surely, those immigrants and their children should be recruited into any enhanced language training facility. In the longer term, should we not be recruiting individuals with useful mother tongue languages into our Armed Forces, security services and aid agencies? To fully utilise them, the military, in particular, would have to develop a more flexible approach to their deployment, but they would, surely, significantly add capability. The concept of a special reserve corps,

where individuals were trained with basic “look-after-themselves” infantry capability and could be deployed in support of overseas deployments, using their native language skills, should surely be looked at as a way of increasing this capability.

This has been an interesting debate about an important aspect of the United Kingdom's weakness in language skills. Sadly, there is little sign of the traditional methods meeting that need. It is good to hear that the Army, in particular, is making progress. I hope the Minister will find some merit in the ideas put forward by noble Lords and will be able to persuade colleagues in the Ministry of Defence and other departments that change is necessary.

4.40 pm

The Minister of State, Ministry of Defence (Earl Howe) (Con): My Lords, I anticipated a constructive and interesting debate, and I have not been disappointed. I take this opportunity to thank all noble Lords who have taken part for the valuable insight and experience that they have brought to bear on this vital subject.

I shall start by directly addressing the question with which the noble Lord, Lord Harrison, opened this debate—do we have sufficient speakers of foreign languages serving the Armed Forces? The answer to that is: as of today, yes, we do. The totality of defence's operational and diplomacy requirements are being met. Furthermore, if we take as a starting point the strategic defence and security review of 2010, since then we have significantly improved the way in which we recruit, identify and train the linguists we need to achieve our defence aims. We currently have the capability to train in more than 40 languages. That is not to say that we are in any way resting on our laurels. As my noble friend Lord Attlee pointed out, our requirement for foreign language skills is ever-changing. As with many other aspects of defence, such as the purchase of ships and aeroplanes, we are trying our best to look ahead not just months but years, while retaining the ability to respond at very short notice to events as they occur.

On the one hand, there are languages that will be required no matter where—or, indeed, if—we are conducting operations. Those skilled in the major languages of commerce and diplomacy, such as French, German, Russian and Arabic, will always be required as defence attachés, training teams, exchange officers and members of headquarters and formations, and we will continue to ensure that sufficient such-skilled personnel are available. On the other hand, who would have thought that, prior to the dark events of September 2001, we would within weeks have need of expert speakers of Dari and Pashto, and require such skills in large numbers and for many years?

We now work hard to ensure that we can balance the longer, top-down requirements—those that are mostly foreseeable—with such shorter-term tactical needs that are much harder to envisage. Our systems must be flexible enough to allow for both, and we believe that they are. Also, as the noble Lords, Lord Wilson and Lord Tunnicliffe, and the noble Baroness, Lady Coussins, pointed out, this is about more than being just a skilled linguist. The Armed Forces recognise that any future operating environment is highly likely

to present personnel with a diverse mosaic of audiences, actors, adversaries and enemies, meaning that, in the recent words of President Obama,

“in the 21st century, military strength will be measured not only by the weapons our troops carry, but by the languages they speak and the cultures that they understand”.

The Armed Forces also recognise that the breadth and depth of their understanding of these audiences need to be improved, and that culture and language skills are a key enabler in preparation for these contingencies. It is of note that the emphasis is now on both the language and the culture in which that language is used. As the noble Lord, Lord Tunnichiffe, said, that is an important ingredient of UK soft power. We recognise that in order to operate effectively in such an environment, defence requires personnel with highly developed intercultural expertise. The ability to understand what is termed the “human terrain” is now rightly seen as essential to successfully operating and achieving our aims in almost all overseas operations.

To deliver those aims, defence has taken a number of strategic steps to strengthen its organisational structures, including setting the pan-defence strategic capability for culture and language. We have a joint influence board with two-star representation from across the armed services. Below that is a steering group reporting to the board, which tasks a working group responsible for staffing, development and delivery functions of the capability programme. The Defence Centre for Languages and Culture is a world-renowned training facility, parented by the Defence Academy. There is a separate authority for capability generation. These interlinked arrangements ensure that the system is capable, responsible and flexible enough to meet defence needs as they arise.

Defence can certainly not be accused of failing to take this matter seriously. I can tell the noble Lord, Lord Harrison, that in the Army, within the next few years, it will become essential for any officer wishing to make a success of their career to have skills in a foreign language. He asked what we are doing to find out who can speak what language. The Armed Forces are even now running a trawl to identify those already serving who have been hiding their linguistic skills under a bushel, and encouraging them to register these accomplishments so that they may be used not only for the benefit of defence but for themselves—as the noble Lord said, there are substantial financial rewards available for those with the skills we need. The incentives commended by my noble friend Lord Attlee are certainly there; for example, I can tell him that the daily rate of extra pay for a qualified paratrooper is £5.69, but a serviceman on operations with a valuable language skill is paid up to £70.20 per day.

A noble Lord: Wow.

Earl Howe: It is quite a significant sum of money. We are employing many methods to ensure not only that we are harnessing existing talent within both Regular and Reserve Forces but that we can attract people into both the regulars and the reserves who already have specific linguistic talents, or who have the potential to learn languages. We will also continue to look at those already within defence to find those suitable to undertake such training.

The noble Lord, Lord Harrison, was—if he will forgive me for saying so—a veritable Gatling gun of questions, and I will need to take many of them away with me and write to him about them. Some of them, such as those relating to GCHQ and our agencies, I may not be able to answer on security grounds. Others, such as detailed questions relating to the Foreign and Commonwealth Office, which was also the subject of a number of questions from the noble Baroness, Lady Coussins, I shall need to seek advice on. However, I assure all noble Lords that I shall study their speeches after this debate and ensure that I address in writing those questions I have not answered but which are capable of being answered.

I turn to a number of those questions now. The noble Lord, Lord Harrison, asked about the apparent reduction in language skills in the Foreign and Commonwealth Office. The FCO, like the Armed Forces, currently has sufficient linguists to achieve its objectives and aims. I will, however, get a readout from the FCO as to how it views its situation and what it is doing to address it. He asked about Army officers and language training—first, what level of skills are required and, secondly, what languages are acceptable. The Army now insists that officers must have a survival level of speaking and listening to a foreign language prior to the appointment of command at the rank of major. The level of skills required ranges from expert to functional. The Armed Forces maintain skills from across the spectrum in more than 30 operational languages. Those languages deemed to have an operational requirement are reviewed by a two-star board and a senior responsible officer on a yearly basis.

Across defence, there is a total of 655 personnel recognised as holding a functional level of qualification. The numbers that I will quote represent those individuals who fall within the examination currency period, which is three years. The actual number of personnel with language skills is almost certainly considerably higher than the figures I will give, as it includes those who have not renewed their qualification and those with a latent skill that has not been declared. I do not have figures relating to 20 years ago, which the noble Lord asked me for, but we have, for example, 108 Arabic speakers at functional, professional or expert level, and 217 French speakers, of whom 48 are expert. Of the specific languages mentioned by the noble Lord, Lord Wilson of Tillyorn, we have 22 speakers of Dari, of whom four are expert; 39 speakers of Farsi, of whom seven are expert; and 29 speakers of Pashto, of whom one is an expert. I emphasise that those figures do not include many others who may have fallen outside that three-year period to which I referred.

The noble Lord, Lord Harrison, asked how flexible defence is in responding to new language demands. I believe that we are more flexible than we were, but that is not to say that we cannot do better. We maintain a pool of linguists who can respond to contingent operational demands. The Defence Centre for Languages and Culture has an agile structure that allows it to use the commercial sector to respond to short-notice language teaching demands and, next year, the DCLC will instruct more than 370 individuals to a level of functional to expert, and a further 550 to a level below this.

[EARL HOWE]

The noble Baroness, Lady Coussins, made some important points about the teaching of languages in schools and I undertake to bring them to the attention of my ministerial colleagues in the DfE. She asked whether the measures adopted by the Army will be extended across the other services—the answer is yes. All measures that I have highlighted are common across all defence personnel, both regular and reserve, and the language competency award schemes are in play here. We are, as I say, conducting a 100% audit of all personnel with a latent language skill.

I have exceeded the time allocated to me. I will, as I promised, write to noble Lords on those areas that I have not been able to cover. In the meantime, I repeat my thanks for a series of very constructive and helpful speeches.

4.53 pm

Sitting suspended.

Mesothelioma

Question for Short Debate

5 pm

Asked by Lord Wills

To ask Her Majesty's Government what action they are taking to support those who have contracted mesothelioma.

Lord Wills (Lab): My Lords, I asked for this debate to highlight, again, the urgent need for progress in research into effective treatments for mesothelioma. This is not a new topic for your Lordships' House, and the fact that we are returning to it again, and that so many of your Lordships signed up for this short debate, indicates its importance.

As your Lordships' House has heard many times before, mesothelioma is a terrible disease, among the most cruel of all fatal illnesses. It is inflicted too often on those who contracted it through their occupation which exposed them to the asbestos which causes it, and too often through public service, so members of the armed services and teachers as well as factory workers have been disproportionately affected by it. Yet those suffering from it, and their families, were appallingly treated for decades. It took years of struggle to force insurance companies to discharge their obligations to pay compensation, in the end taking legislation by the previous Labour Government—I am delighted to see my noble friend Lord McKenzie on the Front Bench today, as he was the Minister who did so much to make that happen—and the coalition Government to force them to do this.

There have been inexcusable delays in providing adequate resourcing for research into effective treatments for this dreadful illness. More than twice as much is spent on breast cancer research per sufferer, for example, than on mesothelioma. This matters. Although these are projections and, given the long gestation periods for this illness, they could well be underestimates, more than 50,000 people are projected to die in this country alone. There will be many more times that number in the rest of the world. Mesothelioma is a global problem. It affects almost everywhere in the

world, including some of the poorest countries in Asia and Africa, countries ill-equipped to develop such research on their own.

However, for all these problems, in the past few months since the last time the House debated the issue, there has been significant progress. The most recent Budget allocated £5 million towards research and the setting up of a national mesothelioma centre. I take this opportunity to thank the Minister who did so much to make that possible and who has always been a stalwart supporter of efforts to improve the situation of those suffering from this disease. There is also now the possibility of matching funds from a charitable donor, thanks in large part to the efforts of my noble friends Lord Giddens and Lord Alton and the British Lung Foundation, and two insurance companies, Aviva and Zurich, have over the past two years, to their credit, donated a combined £1 million to the British Lung Foundation's mesothelioma research programme. However, all this is only a start. It has been estimated that a national centre for mesothelioma research, on a hub-and-spoke model, will need set-up costs of £15 million to £20 million and projected running costs of £3 million to £5 million annually. So much could be done with this funding. Medical science has made extraordinary progress in the past decades. Once-dread diseases have become manageable through the efforts of brilliant and dedicated researchers, and the combination of developments in genomic science and the dazzling new power to process data digitally promises so much more.

We have the infrastructure in the form of the Mesobank, a biobank unique in Europe and one of only two worldwide, which collects tissue, blood samples and clinical data from mesothelioma patients to help accelerate research across the UK and internationally. Sequencing technology is being used to observe gene mutations in mesothelioma which will support the development of future therapies. Advances are being made in immunotherapy and radiotherapy. Other developments in genetic research could produce advances in treatment if sufficient funding is found to run appropriate clinical trials. So where is the extra money going to come from to build on these developments and make further progress possible?

The Government obviously have it in their power to provide it by increasing the sums of money available for research, and the arguments for doing so are compelling. I shall run through them briefly. Apart from the alleviation of terrible suffering in patients, it would save taxpayers money. Of course, there is no guarantee that any research will produce results, but the experience of research into other cancers suggests that a combination of money and time will produce significant advances in treatment, saving taxpayers some of the huge sums involved in treating mesothelioma sufferers, currently upwards of £75,000 per patient, with total annual costs exceeding £185 million. By 2050, the total is likely to rise above £5 billion. Investing in mesothelioma research can only help to build on our world lead in biomedical research.

Even in these difficult times, £3 million a year would more than treble the amount currently spent and fund a national centre to co-ordinate and develop

research. Perhaps a little of all those savings that leading figures in the Government promised us would result from leaving the EU could be made available for research into this terrible disease. I suspect that this will not be the last time the Minister hears that particular argument in the months ahead.

If not from government, where else might funding come from? The insurance industry has historically been implicated in the way mesothelioma sufferers and their families have been failed over generations, but the Mesothelioma Act 2014 offers an opportunity to start a new chapter in that relationship, building on the good examples set by Aviva and Zurich. Surely, the time has come for others in the industry to stand beside them in providing the relatively small sums, in terms of their turnover and profits, to fund research. After all, the more effective treatments can be found, the less they will need to pay out in the long run.

Perhaps the time has come also to look to another business sector that has been heavily involved in these issues over the years. Law firms have received huge sums in fee income from mesothelioma claims over the years. Of course, much of this has been justified, as they fought for justice for sufferers, and no one should ever want to see the victims of this disease denied appropriate legal representation. However, the Mesothelioma Act has streamlined the process for compensation, so perhaps the time has come to look at those fees, with a view either to fixing them, and thereby releasing more funds that could be made available for research, or for the legal industry to step up beside insurers to ensure that research is adequately funded.

Progress is waiting to be made, and there are ways of making it quickly and relatively painlessly, but, if none of these things happen, this campaign will still continue. As we have seen over and over again over the past 10 years, neither your Lordships' House nor the other place will accept the status quo. I hope that there is action that the Government can and will take, and I hope that the Minister will indicate today that they will at least be prepared to explore one or more of the ways that I have suggested to ensure that the funds so desperately needed for research into this cruel disease will be made available, and soon.

5.08 pm

Baroness Couttie (Con): My Lords, I start by thanking the noble Lord, Lord Wills, for introducing this very important topic. Unfortunately, at the beginning of this year, someone I know extremely well was diagnosed with mesothelioma. She is a middle-aged woman who does not have any connection to the building industry and has not lived or worked in a building under renovation—and nor has any of her family. As noble Lords can imagine, therefore, it was an incredible shock. Over this year, I have become quite familiar with the disease and its treatments, so this afternoon I am speaking from the point of view of the patient.

What has really struck me is the stark contrast in the drugs you receive if you treated are under the NHS and those you can receive if you are being treated under private healthcare and are wealthy enough to be able to afford the best possible treatment available. Those treatments can extend life expectancy, which on diagnosis if you undergo all the chemotherapy, is on

average about 18 months. The NHS provides the chemotherapy and does an absolutely wonderful job. An operation can be undertaken, although it is a very complex one, to remove the multiple tumours associated with mesothelioma. It can involve removing the diaphragm, the pleura around the lungs and the membrane around the heart. Skilled surgeons are required to undertake the operation and some healthcare companies provide cover for it, although the NHS will not. The cover that most healthcare providers offer does not necessarily meet the full costs of the surgeons, who have to be very highly skilled. Undertaking the operation means that you can double the life expectancy of an individual.

At the end of chemotherapy, what are the options? You can continue with a drug called Avastin, which is licensed for breast cancer but not for mesothelioma. It can be taken in conjunction with the rest of the chemotherapy. It costs £5,000 a pop. Some health insurance companies and providers will cover it, but the NHS will not. You take it once every three weeks, so more than £86,000 a year is required to cover the cost. Some patients have been on it for more than two years without recurrence. Its success varies as people vary, but there have been some great successes.

If—or unfortunately more like when—the mesothelioma returns, what are the options? You can try the chemo again, although sadly it is not always effective. The NHS will provide that chemo. What health insurance companies and the NHS do not cover is access to the latest drugs. The one that is most recommended costs a quarter of a million pounds—it is a one-off treatment and it has to be funded. Under the NHS you have access to UK trials, but because this disease is incredibly rare and has multiple sub-types, the trial you would be best suited to is not necessarily taking place in the UK, so if you want to get on a trial you have to fund your own transport and accommodation costs, possibly for several months while you undergo the trial. Life expectancy can and has been proven to be extended in people who have been fortunate enough to be able to afford this.

As the noble Lord, Lord Wills, mentioned earlier, there are many civil suits as people are able to identify the source of asbestos that triggered their mesothelioma. However, a group of people are unable to identify the source and are totally reliant on the Government's compensation scheme, which goes nowhere near covering the costs that will prolong their lives. I therefore ask the Government to please look at the compensation scheme to see whether the payments can be upped so that everybody, regardless of their own wealth, can have access to these drugs. It involves a relatively small number of people because only about 2,500 a year are diagnosed with mesothelioma, and only a percentage will not have a civil action. It therefore should not cost the Government that much. It seems only right and fair to make sure that everybody has the opportunity to prolong their life as far as possible.

5.12 pm

Baroness Finlay of Llandaff (CB): My Lords, I am most grateful to the noble Lord, Lord Wills, for securing this important debate, and the noble Baroness, Lady

[BARONESS FINLAY OF LLANDAFF]

Couttie, for outlining the clinical scenarios that people face, often when they are young, as they suddenly realise that they have this devastating disease. More than 2,500 cases are diagnosed each year.

I will focus initially on the iceberg effect; we are seeing just the tip because of asbestos in schools and the worry about that. Some 94% of cases of mesothelioma are effectively preventable because they are associated with chronic exposure to asbestos in one way or another, and we know that three-quarters of our schools have asbestos in place. The number of teachers dying of mesothelioma has been going up from around three a year in the early 1980s to 22 in 2012 alone. That is a marker of developing mesothelioma following chronic exposure.

The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment has pointed out that we do not know whether children are intrinsically more susceptible to developing mesothelioma following asbestos exposure. However, it seems that the lifetime risk if they are exposed at the age of five is about five times that of someone aged 30 who is exposed to the same amount of asbestos. Therefore it seems that exposing children is storing up problems for the future.

I would like to coin the term “pre-mesothelioma” for the number of people in the population who will probably go on to develop mesothelioma but have no idea about it at all. If we are undertaking research, we have to get to earlier diagnosis, so we have to find ways much earlier on of picking up the markers of transformation to malignancy in the areas where asbestos fibres are stored. At the moment we do not know of any actionable drivers of the disease in order to pick up and identify early markers. There are multicentre trials, as the noble Baroness has just outlined, but the problem is that they are very disparate. That is why there is a desperate need for a single centre in the UK to co-ordinate them. That reminds me of when I was a very junior doctor and the MRC co-ordinated trials into the leukaemias, and it was from those that some advances were made. There needs to be a driver with just about everybody being recruited into a trial if that is at all possible. Currently, patients have to find out about trials and they do not really know where to go. They want to contribute because they do not want the same thing to happen to other people. The other problem is that of course while the Mesobank is in place and the cell lines are coming along, they are not there yet. We need to identify how tumour surface antigens are expressed and detect better markers of early disease.

I remind noble Lords that 60% of patients diagnosed with mesothelioma are dead within a year; in other words, they are palliative care patients. I am afraid that some clinical commissioning groups are not commissioning specialist palliative care services adequately, not at a level that allows them to be integrated with cancer and chest disease services. That is essential to provide psychosocial support as well as support for the rest of the family, and to deal with the devastating symptoms of the disease. Those groups of specialists also want to research some of the effects of the disease when it is not curable.

Lastly, we need data. I declare an interest as chairman of the National Council for Palliative Care. I was very concerned to discover that Public Health England does not plan to carry on collecting a minimum dataset from specialist palliative care services. Without that data we will not know whether what we are doing is improving services for patients. It would cost only £200,000 to refresh the collection and data management process, which in the greater order of things is nothing. Without good data on the number of patients, the people who transform from what I would call pre-mesothelioma into mesothelioma, and the numbers that need palliative care services, we will have no idea whether we are improving.

5.16 pm

Baroness Warwick of Undercliffe (Lab): My Lords, I had always associated mesothelioma with the construction trade. It came as a complete shock that a dear friend—Sylvia, a retired maths teacher, an energetic walker and a very active grandmother—should be diagnosed with the disease. It may well have been contracted 50 years ago when she worked as a teacher in west Africa. It was even more of a shock to discover that it was a death sentence. Sylvia died a troubled and dreadful death five months later. As her husband Geoff said, “This cancer doesn’t allow for peace. There are more sorts of pain than those that can be, and were, dulled by opiates”.

What shocked me almost as much was the struggle of medical researchers to raise money to find improved treatments for the disease. The British Lung Foundation—BLF—and Mesothelioma UK have campaigned tirelessly for more research but with only limited success. Do funders regard it as a marginal cancer? Perhaps they think it will be reduced over time because products containing asbestos were banned in the UK in 1999. How have we become so complacent? Some 2,500 people in the UK are predicted to die each year of mesothelioma. The incidence is increasing, as has been mentioned, for example among schoolteachers. How have we become so blind to the immense suffering of those who contract the disease and of the families who care for them? Although we can hope that the rate will eventually decrease, no such hope is available in developing countries where asbestos continues to be used and where committed people just like my friend Sylvia will continue to work, as will countless members of the local populations.

Research is key yet the BLF’s figures show that funding is absolutely parlous compared with other cancers that kill a similar number, and even the published figures are thought to be an overestimate. I talked to the NIHR Biomedical Research Centre at UCL—I declare an interest as a member of council at UCL. UCL, along with Leicester and Barts, is doing innovative and exciting work with a small amount of funding into genomic damage which might lead to targeted new treatments. Other centres are similarly innovative. How much more could be done if they were better funded?

Companies such as Hugh James, Simpson Millar and Shield Environmental Services have donated. Insurers have helped in the past. Two which have already been mentioned, Aviva and Zurich, have increased their

contribution to £1 million over two years, but the final grant is this year. The £5 million grant from the Government this year for a national centre for research is indeed welcome. I hope it will enable increased collaboration with other centres, but it will take £5 million each year to put mesothelioma on a par with other cancers, such as skin cancers, that have the same mortality levels.

A more sustainable model is required. Where is the rest of the insurance industry? Insurers are likely to pay out £11 billion in compensation to people who were exposed to asbestos in the workplace. If only a tiny fraction of this were donated to research, it would be transformational. Saving lives by donating to research could potentially save insurers millions. Will the Minister commit to some strong arm-twisting to persuade the industry to make this a comprehensive and permanent commitment, if necessary on a statutory basis?

I want to make a final point about the carers of those affected. My friend's husband Geoff said, "Sylvia's progress wasn't predictable, no routine could be established, every day involved new challenges". He was part-retired and had a pension. Supported by the GP and the district nurse, he was able to provide the care that enabled Sylvia to live and die at home as she wanted, where her dignity was preserved in a way she felt it could not have been even in the kindest institution. If he had been on a limited income and had to go out to work, how would that have been managed? Will the Minister tell us what the Government are doing to make that kind of caring an option for anyone suffering a terminal illness of this kind?

5.20 pm

Lord Alton of Liverpool (CB): My Lords, I am delighted to be able to support the noble Lord, Lord Wills. It gives me the chance to say how much I have appreciated working with him, the noble Lord, Lord Giddens, and other noble Lords in trying to push this issue up the list of political priorities. An indication that the message is bearing fruit was contained in the former Chancellor's Budget announcement on 16 March that £5 million would be approved for a national mesothelioma centre, which I greatly welcome.

This is also a chance to say that after the Second Reading of my Private Member's Bill on mesothelioma research the Minister has been unstinting in his efforts to draw together the medical and scientific community, the insurance industry and diverse political interests. It is good to be able to put on record my appreciation of his commitment and engagement. That Private Member's Bill emerged from a narrowly defeated amendment in your Lordships' House that would have required the more than 120 insurance companies to contribute to mesothelioma research. The former Minister told the House that he was confident that the four insurance companies that were then voluntarily supporting research would be joined by others. The sad reality, as we have heard, is that the four fell to two, Aviva and Zurich.

As the noble Baroness, Lady Warwick, just told us, insurance companies that represent employers whose employees were exposed to fatal asbestos must recognise their moral obligation, but it is also in their own self-interest to help find the causes of and cures for

mesothelioma—a public health disaster that should never have happened. I recently heard from a patient support group that is concerned by media reports that Companies House proposes to destroy defunct company files after a period of five years. Perhaps the Minister will either say a word about this or agree to write to me.

The admirable British Lung Foundation says that we are now at a point in mesothelioma research where we can see real potential. For example, Dr Sarah Martin at Barts Cancer Institute has found that 50% of mesotheliomas lose the enzyme ASS1, which makes the amino acid arginine. As these mesotheliomas depend on a steady supply of arginine from the bloodstream and other cells to grow, Dr Martin is exploring the potential of using existing drugs to block the flow of arginine to these cells, in turn starving them.

Resourcing this and innovatory adult stem cell work, which the noble Lord, Lord Giddens, and I heard about more than two years ago and which we were told would require £2.5 million to bring to clinical trials, is imperative in a country that has the highest recorded incidence of mesothelioma in the world, with 40,000 recorded deaths already, and, as we have heard, a further 2,500 deaths annually. One in five work-related deaths are attributed to mesothelioma. What is the Government's current estimate of the cumulative number of British people who will die of mesothelioma over the next 30 years? Perhaps we can also be told how many of the 3,000 cancer nurse specialists specialise in mesothelioma care.

With tens of thousands destined to succumb to this fatal disease, it greatly disturbs me that we have no national programme, plan or timetable for the removal of asbestos from our environment, although, by contrast, we have devised one for the Palace of Westminster. Significant quantities of asbestos remain in our homes, workplaces and public buildings, not least in the schools referred to by my noble friend Lady Finlay, and there is a growing incidence of mesothelioma among schoolteachers. As my noble friend said, we should carefully consider the effects on children.

When the Minister replies, I hope that he will refer to the need for a national strategy and to what he might be able to do to draw cross-departmental Ministers together to consider what it should consist of. I hope too that he will look at properly resourced research in the way that the noble Lord, Lord Wills, described, as well as at an examination within his own department of the significant variations in the levels of care, treatment and support, which have been referred to during this short debate.

5.25 pm

Lord Giddens (Lab): My Lords, mesothelioma, if I may put it in this way, has a past and a future. The past has seen a long struggle to get the origins of the disease recognised and then to achieve adequate compensation for those suffering from it. That struggle is well documented in the book by Geoffrey Tweedale, *Magic Mineral to Killer Dust*. Asbestos was originally a magic mineral. He shows in detail just how much industry resistance there was to accepting the link between asbestos and mesothelioma.

[LORD GIDDENS]

I wish to pay tribute to MPs and noble Lords. If your Lordships will forgive me, I should like to single out—it is like a little boys' club—the noble Lords, Lord Alton and Lord Wills, with whom I have worked closely, but many have been involved in pressing for proper recognition of the disease and for increased compensation for sufferers. That struggle, of course, continues. The British Lung Foundation has been mentioned, and a range of other, more local groups have had a significant impact. It is good news that former members of the armed services who have contracted mesothelioma will henceforth be entitled to significant compensation. However, on the issues of adequate compensation and giving the disease a higher profile in the public consciousness, plainly a lot more needs to be done. I am afraid that Action Mesothelioma Day, designated as Friday 1 July this year, received only scant coverage in the press.

When I say that mesothelioma has a past but also a future, I mean that it is time to stop it being seen as simply a legacy disease—a hangover from a time when asbestos was widely used. I believe—and I hope that people who work more directly in medicine than me will agree—that we are entering a period of potential breakthroughs on the frontiers of medical research, especially as concerns the diverse forms of cancer. The awesome algorithmic power of supercomputers is making possible advances in genetics that could not have been achieved before. A good example—perhaps the most well known—is the supercomputer Watson, which won the amazing game of “Jeopardy!” on American television. It is an ordinary-language, everyday knowledge game. At one point, no one thought that it would be possible for a computer to win it, as it depends on so much everyday knowledge. In terms of being applied to cancer research, as is now the case, Watson and other supercomputers have massive capacities compared with any human researcher. They may not have the same innovative capacities, but their algorithmic powers are extraordinary. Watson can sift through literally millions of scientific papers and use data-mining to suggest hypotheses to be subject to further tests. One should also mention the supercomputer Beagle at the University of Chicago, which is being used to radically accelerate genome analysis.

For the first time ever—perhaps because of the digital revolution, which is one of the things we are talking about—there is a truly global community of scientists working at the cutting edge of medical issues once thought to be intractable. As a result of such ongoing research, we now know that mesothelioma shares certain components, on a genetic level, with other types of cancer. Cancers are in general now increasingly identified genetically rather than described on a more macro level. This means that research into the nature of mesothelioma is of broader significance than was once thought to be the case, and that advancing knowledge about other forms of cancer can in turn be brought to bear on mesothelioma. For these reasons, like other noble Lords, I very much welcome the £5 million towards establishing a research centre, which the noble Lord, Lord Prior, has played such an important part in. As the noble Lord knows, I would like us to raise further sums, which I believe one can do once

this funding exists. I would like the centre to have a global orientation linked to, for example, the Pacific Mesothelioma Center in Los Angeles. We should drive research onwards to look not just for improved treatments but for something that is perhaps no longer completely impossible: some kind of cure.

5.30 pm

Lord Freyberg (CB): My Lords, I thank the noble Lord, Lord Wills, for securing this debate and giving us an opportunity to discuss this subject once again.

I shall focus my remarks today on how we might improve mesothelioma surgery in the NHS. It is a subject that rarely gets discussed, but one that deserves much more attention than it gets at present. I was delighted that the noble Baroness, Lady Countie, was able today to highlight some of the options available.

When my sister Annabel was diagnosed with mesothelioma a couple of years ago, one of the treatments available to her was radical surgery. This meant removing her pleura, the lining surrounding each of her lungs. Finding a surgeon with the right experience was not a straightforward process and relied entirely upon a Rolodex network of surgeons that her oncologist had built up over many years, often scattered around the country. Eventually, she found someone to evaluate her, but it took a long time to arrange and the procedure proposed was very risky, which was due in part to the fact that her tumour had grown so rapidly since her original diagnosis. On top of that, the surgeon, although very experienced, had not performed the procedure very often and lacked the familiarity of approach that specialisation usually provides. Given its radical nature and the need for complete tumour removal, should not surgical resection be concentrated at one centre of excellence, where patients can receive immediate attention, new techniques can be researched and surgeons can benefit from training and others' experience? I am sure that patients will be willing to travel as far as needed to be in the hands of super-specialists.

Given the highly specialised procedure of removing pleura, what research is currently being carried out on resection methods? How does the NHS plan to optimise its approach to such surgery? Does it, for example, appear in the National Institutes of Health research plan? If not, why not? Again, there is huge scope for improvement here.

With regard to new drugs, what research is currently taking place on the impact of preoperative non-steroidal anti-inflammatory agents, given their success in other forms of cancer surgery? This should be another research priority for the NIHR, especially given the chronic inflammation component of mesothelioma. The synergies are such that we ought to be applying the benefits of such cancer research wherever possible. This is a cheap intervention, given that the drugs are generic.

All these issues point to the need for a specialist surgical registry and surgical outcome transparency in mesothelioma. Even transparency on the basics of annual volume and 30-day mortality by surgeon, centre and surgical approach would allow the supervising oncologists to find experienced surgeons in a timely manner. It will also allow for continuous surgical method improvement and best-practice dissemination.

This holds true not only in mesothelioma but in less common and rare cancers requiring radical high-risk surgery. These cancer surgical registries should be a priority for the NIHR and NHS England. We need clarity about which body is responsible for their funding, given that they span both quality control and research. I hope that the Minister will encourage the bodies responsible to outline how they plan to drive and develop surgical registries and associated research in these cancers.

5.34 pm

Baroness Walmsley (LD): My Lords, I, too, would like to focus on the patients—the 2,500 British people who are expected to die each year of mesothelioma, most of whom have contracted the disease as a result of exposure to asbestos. The use of asbestos in industry and construction, although now banned, was a practice that has had a detrimental effect on many lives, and it is our duty now to offer sufficient aid to those it has affected.

Asbestos lurks in many strange places, including, as we have heard from the noble Lord, Lord Alton, this very building. My husband and I recently demolished an old cottage on our property, and we discovered that there was asbestos in the floor tiles with which my late mother-in-law had been living for 40 years. We had to have them removed by specialists. In the 1970s, when I lived in an old farmhouse, I used an asbestos product to fill the rather irregular holes that I used to drill in the walls to hang pictures and bookshelves, having no idea that there may be a problem with it. Concerns about the dangers of asbestos were first raised early in the 20th century, but its use was not outlawed until 1999. For the thousands of cases now arising 40 or 50 years after first exposure, it is our responsibility to ensure that they are given the compensation and support they require. Unfortunately, the median survival time for pleural mesothelioma, once it has taken hold, is 12 months from diagnosis, but this time, and beyond for the dependents of those affected, must be made as comfortable as possible for those who need help.

Over the years, there have been many shortcomings in the handling of asbestos-related cases across the globe, one such case being the fire at the central ordnance depot in Donnington, Shropshire, in 1983. The blaze which released a huge cloud of asbestos into the air has had a huge repercussion which is still being felt today. Paula Ann Nunn, Ellen Paddock, Susan Maughan, Richard George and Marion Groves are just five local people who contracted mesothelioma and unfortunately passed away as a direct result. Mrs Maughan died only last October. Her daughter told the inquest that it took the local authority five days before they told the community so they were exposed to asbestos for all that time. The ash cloud which spread over an area of 15 square miles attracted many small children who played in it as if it were snow which fell in local gardens for days before people were told it was unsafe. We have heard from the noble Baroness, Lady Finlay, how very harmful that could be to those children. My colleague and noble friend Lady Pinnock has told me about many cases in her area of Kirklees, resulting from working for a brake linings factory, long since closed down.

Mesothelioma is generally resistant to conventional cancer treatment. Long-term survival and cures are extremely difficult, but that does not mean that the mistakes of government and industry alike over the past century should not be paid for by compensation to those affected. The current range of available benefits, both lump sums and long-term allowances, must get to the right people at the right time. The Mesothelioma Act 2014, for which we have to congratulate several noble Lords present today, went a long way to help those who had been unable to access compensation because of the passage of time or a lack of effective record-keeping identifying those responsible. Since 2014, a total of £62.2 million has been awarded. However, of those who were unhappy with the result and requested a review of what they were awarded, 25% had their compensation rate altered—I presume upwards. Given that this illness is still an issue affecting thousands of British people every year and that the nature of mesothelioma's progress means that time is literally of the essence, it is essential that the correct support is awarded without delay in all cases. Given the significant number of cases reviewed since the launch of the scheme, how do the Government intend to learn from those cases and improve the process so that the right decision is made the first time in as many cases as possible?

Can the Minister also outline the ways in which the Government are promoting the compensation scheme, so that those most in need are fully aware of the support available? Given the vital work done by the charitable organisation, Mesothelioma UK, and its invaluable lung nurse specialists, do the Government intend to follow its lead and introduce more specialist nurses into hospitals to support patients?

Finally, to safeguard against mesothelioma cases slipping under radar given the disease's lengthy latency, are the Government willing to begin actively seeking out those involved in previous incidents, such as the Donnington fire, so as to promote early identification of their disease and to get immediate support to them?

5.40 pm

Lord McKenzie of Luton (Lab): My Lords, this has been a brief but exceptionally well-informed debate. We have heard from noble Lords whose understanding of mesothelioma has been driven by a family experience, a colleague's experience or a friend's experience. We have also heard from the medical fraternity and its expertise. I thank my noble friend Lord Wills for initiating this debate and acknowledge the work which he, together with the noble Lords, Lord Alton and Lord Giddens, and others, have done since our last debate on this topic a year ago. We should remember, as have others, the tireless efforts of Lord Avebury, who campaigned persistently for the sufferers of mesothelioma.

Obtaining justice for sufferers of mesothelioma has been a long and tortuous journey. I think that it is fair to say that, until recent times, efforts have been concentrated on seeking to ensure that sufferers and their families have received material support—money—to help them cope with the traumatic effects of this invariably fatal and excruciatingly painful condition. This journey has encompassed access to the industrial

[LORD MCKENZIE OF LUTON]

injuries disablement benefit; the 1979 compensation Act for work-related mesothelioma where the employer no longer exists or their liability policy cannot be traced; efforts to improve retracement policies; the 2008 diffuse mesothelioma scheme, where there is no nexus; and then the diffuse mesothelioma payment scheme, which is funded by insurance companies. Each of these in its own way has made access to support more secure, however inadequate. We have praised before the work of the noble Lord, Lord Freud, in delivering the 2014 payment scheme and condemned the historic reluctance of insurers to meet their moral obligations. We note that the payment scheme was able to raise payment levels to 100% of average civil claims in 2015. Perhaps the Minister can confirm that this has been maintained. It is understood that it is driven by the benefits of better tracing of employer liability insurance policies. Again, perhaps the Minister could confirm that.

Last year, the Minister acknowledged that it was wrong to look at mesothelioma as a legacy issue. The projections are that it may have peaked, but it will be with us for a very long time. Moreover, the causes of mesothelioma—exposure to asbestos—are still too prevalent in our environment, especially, as we have heard today, in schools. We may be more aware about how it should be managed—the HSE gives advice on it—but we know that practice is not always followed and people will cut corners. The noble Baroness, Lady Finlay, spoke about the effects of this on children. Seeking a cure remains the imperative. When we discussed the Bill of the noble Lord, Lord Alton, there was some disagreement about precisely how much research had been undertaken previously—how much might be generic and how much was specifically focused. The Minister argued that the problem was not lack of funding but a lack of quality research proposals—I think that this was the position asserted by the noble Earl, Lord Howe, in the previous debate on that Bill. Can the Minister now bring some clarity to this issue? What has been the outcome of the strategy to stimulate more research projects?

The Government should be congratulated on their allocation of £5 million of LIBOR fines to establish a national mesothelioma centre. The announcement, of course, made specific reference to service veterans, but this centre is to be a collaboration, it is understood, between four leading institutions which will form a hub—I presume that it will be a virtual hub. It would be good to hear from the Minister, as a practical matter, how the funding of this is to be organised and how it is to go about undertaking and supporting research. It is to be welcomed, but this is still not on equal footing with the rest of cancer research. Nevertheless, “progress is waiting to be made” was the expression, but not without continuing pressure from a range of noble Lords and Members of the other place, those noble Lords who have participated in this debate and, of course, the continuing suffering of those who endure this terrible condition.

5.45 pm

The Parliamentary Under-Secretary of State, Department of Health (Lord Prior of Brampton) (Con): My Lords, this has been another really excellent debate on this

subject. I join others in thanking the noble Lord, Lord Wills, for raising it again—it is really important to keep it in the public eye. I thank the noble Lords, Lord Giddens and Lord Alton, for collaring me on this subject many times over the last year. It is one of the privileges of being in this House that one is able to take an interest in these issues and try to do something about them—otherwise, what is the point of being here? The point is to make a difference. What this has demonstrated is that if there is persistence—real, dogged persistence, often in the face of all kinds of tribulations—you can make progress. It has been a long and tortuous journey, as the noble Lord, Lord McKenzie, said, but there are signs of progress.

I shall pick up a few points before I get into my speech. First, I cannot answer the point of the noble Baroness, Lady Coultie, in detail today, but the level of compensation is certainly something I shall look at in view of her comments about the cost of these new drugs. This is probably an issue more for NICE and NHS England than the compensation scheme. The noble Baroness, Lady Walmsley, asked whether we are learning from the reviews of these cases, in view of the importance of time. I will certainly look at both those issues. They are, in a sense, related to the remarks of the noble Lord, Lord Freyberg, about the huge benefits of specialisation. I have the guidance from NHS England on the treatment of mesothelioma here. I shall not read it out today, because there is not time, but the noble Lord’s point about having a centre of excellence and looking at the improved outcomes from people doing these things repetitively, many times, rather than spreading very complex surgery over many different sites, is absolutely true. Having proper data in registries which can be made transparent is also a hugely important driver of change.

The noble Lord, Lord Giddens, and the noble Baroness, Lady Finlay, raised the issue of data. Data are hugely important. In a way, if one looks at all the advances that are coming along in cell therapy, gene therapy and the like, in health analytics and big data, the artificial intelligence and machine learning that come from these offer huge potential for improving healthcare in this country. I should also mention that it is clear that many people here have been touched, directly or indirectly, by this devastating disease. That adds not just poignancy but urgency to our discussions. It is interesting how often a patient’s story can bring data to life—data on their own are not enough. It is when you hear about individuals who have suffered and whose lives have been changed or who, indeed, have died, that it is brought home to all of us just how important it is.

We expect the rates of mesothelioma to increase in coming years, due to high exposure to asbestos in the 1960s and 1970s. The noble Baroness, Lady Finlay, raised the issue of schools. It is the responsibility of the Health and Safety Executive, as she will know. The advice is often to leave it where it is and not disturb it—it is not dangerous to children if it is left dormant. If anyone has any evidence that the HSE is not doing the rounds or that there are local authorities in the country where schools are in need of repair, they should bring it to my attention and I will ensure that the HSE follows that up.

Rates of mesothelioma have increased by nearly five times in Great Britain since the late 1970s. In 2014, there were 2,343 registrations of mesothelioma in England: 1,954 men and 389 women. The incidence is expected to peak in the 2020s but, as has been mentioned, it will remain a significant health problem into the 2050s. It is not a legacy disease. It is going to kill many people over the next 30 or 40 years. In 2014, 2,236 deaths were caused by mesothelioma in England, and the latest survival figures suggest that 46% of men survive for one year, compared with 51% for women. Five-year survival is much worse: only 5% for men and 11% for women. It is a death sentence—there is no getting away from that. Others have mentioned that this is a worldwide issue. One research group estimates that, on average, 14,200 cases are diagnosed worldwide every year, and that will be going up, not down.

On the research aspect, there is some better news. On 16 March, the Chancellor announced an award of £5 million to establish a national centre for mesothelioma research. A number of noble Lords have said how important it is that this is co-ordinated—that various universities and research centres around the country do not all have a crack at it, but there should be a national centre for research. This announcement was in response to an application from Imperial College to urgently address the anticipated imminent high mortality rate among Royal Navy veterans and dockyard workers. The award is one of a series funded by the LIBOR fines that have been made since October 2012.

It is envisaged that the national centre will be a collaboration between four leading institutions which have a major interest in the treatment of mesothelioma: the National Heart and Lung Institute at Imperial College, the Royal Brompton Hospital, the Institute of Cancer Research and the Royal Marsden Hospital. It is pretty impressive standing here naming four institutions that are absolutely world class. This is an extraordinary country when it comes to research. The Marsden, the Brompton and all these institutions are fantastic. They bring together expertise in the genetics of cancer susceptibility and in targets for treatment. Of course, the work being done in genomics will have a huge impact on this in years to come—not quite yet but soon, I hope.

The Department of Health has been in discussion with the British Lung Foundation to work together to bring about the establishment of the research network. The plans are not yet finalised, but the aim, which the department supports, is to attract further donations, to be channelled by the British Lung Foundation so that it can continue its role as the body through which voluntary donations for mesothelioma research are being channelled competitively to the best science centres across the UK. As the organisation which currently administers mesothelioma research grants funded from insurance industry donations, the BLF is

well placed to do this. I add my thanks to Aviva and Zurich, the only two insurance companies which have lived up, I think, to a very important moral obligation. We should not give up in our talks with the insurance industry to persuade it. It owes a moral duty but, as pointed out by the noble Lord, Lord Alton, it is not just a moral duty; there is also some enlightened self-interest in this. Maybe the lawyers would like to chip in as well; that would be good.

We understand that on 1 November—next week—the BLF, alongside the Association of British Insurers, will be hosting a seminar in this House on the future of mesothelioma research. The seminar will focus on the previous research which the insurance industry has funded across the UK, how it can be built on, and how to ensure that mesothelioma projects across the country tie into the work of the new national centre. Together, the MRC and the NIHR spend more than £1 billion annually. In 2015-16, they spent more than £3 million on mesothelioma research. I will be sending a copy of this debate to Sally Davies, the Chief Medical Officer, and Chris Whitty, the Chief Scientific Adviser, to ensure that they pick up all the important arguments that have been made today.

Last month the Government announced £816 million over the next five years for the biomedical research centres across the UK. These centres host the development of ground-breaking new treatments, diagnostics, prevention, and care for patients in a wide range of diseases. Around £118 million of the funding will be for cancer research and we would expect some of that to support mesothelioma research. The fact that we have this £5 million ought to attract more money from the more conventional cancer research programmes.

In March 2016 the National Cancer Research Institute co-ordinated a meeting with the British Lung Foundation, the MRC, Cancer Research UK and the Department of Health to discuss research opportunities in mesothelioma. This was followed up with a community workshop at the International Mesothelioma Interest Group meeting in Birmingham in May this year and has led to the formulation of a draft research priorities document. This will be further developed at a second workshop currently scheduled to take place in February 2017.

There is room for hope that some progress is being made here. We have to keep the momentum going and the profile high. I think we all accept that some cancers seem to have caught the public imagination to a greater extent than this one, which in a sense puts a greater obligation on us to keep it in the public eye. I have been delighted to do what I can and will continue to do so. Again, I thank all noble Lords for continuing to raise this very important topic.

Committee adjourned at 5.56 pm.

