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PARLIAMENTARY DEBATES
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HOUSE OF LORDS

OFFICIAL REPORT

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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

Monday 24 April 2017

2.30 pm

Prayers—read by the Lord Bishop of Southwark.

Clerk of the Parliaments

Retirement of Sir David Beamish KCB

2.36 pm

Moved by Baroness Evans of Bowes Park

On consideration of the letter from Sir David Beamish KCB announcing his retirement from the office of Clerk of the Parliaments.

That this House has received with sincere regret the announcement of the retirement of Sir David Beamish KCB from the office of Clerk of the Parliaments and thinks it right to record the just sense which it entertains of the zeal, ability, diligence, and integrity with which the said Sir David Beamish has executed the important duties of his office.

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, on 1 November last year I informed the House that Sir David Beamish had announced his intention of retiring from the office of Clerk of the Parliaments with effect from 15 April this year, followed by an announcement, just before the Christmas Recess, that Ed Ollard would become his successor. I indicated at the time that there would be an opportunity to pay tribute to Sir David and I am delighted to do that today.

I am sure that noble Lords from all sides of the House will agree that over 42 years Sir David served with great distinction. He held a number of important posts during his time as an officer of this House. Between 1983 and 1986 he was Private Secretary to the Leader of the House and Chief Whip, when those positions were occupied respectively by the late Lord Whitelaw and my noble friend Lord Denham—a period that some noble Lords will recall as a busy one for the management of the Government's business in the upper House.

Noble Lords who have been in the House since the mid-1990s will be aware of Sir David's role in enhancing the work of our Select Committees. As Clerk of Committees from 1995 to 2002, he successfully supported a significant increase in activity, improving the House's capacity to scrutinise the work of government and setting the framework for the House's present, widely respected Select Committees.

Prior to his appointment as Clerk of the Parliaments in 2011, Sir David served as Reading Clerk and Clerk Assistant. As Reading Clerk, he took the lead in establishing and embedding the office of the Lord Speaker and worked hard to ensure the success of this significant change, helping to define aspects of the role, handling arrangements for the election and personally supporting the first Lord Speaker.

More generally throughout his career, Sir David contributed to the ongoing debates around the role and future of the House—for example, as clerk to the first of the Joint Committees on Lords reform in 2002-03 and, as Clerk of the Parliaments, setting out the options for non-legislative reform of the House in 2012.

Sir David leaves behind a very different House from the one he arrived at in 1974, not least because I was not even born then. It is not only a more visible and influential second Chamber but a more modern and diverse institution. He leaves the House and its administration well equipped to handle the considerable challenges to be faced in the coming years.

Sir David was also an early champion in promoting the work of the House, at home and abroad, overseeing the development of outreach programmes. Under Sir David's leadership, the administration had its first diversity and inclusion strategy. He led by example, with his efforts helping to secure the House's status as a living wage employer.

Throughout his time as Clerk of the Parliaments, Sir David sought opportunities for a greater degree of joint working between the two Houses, through close working with three Clerks of the House of Commons and establishing the new digital service and parliamentary security departments.

Beyond Sir David's professional achievements, many noble Lords will also be aware of his extracurricular activities and achievements. Not content with winning "Mastermind" in 1988, with Nancy Astor as his specialist subject, Sir David has created—and continues to maintain—a website providing a list of all United Kingdom peerage creations, and I trust that his retirement will provide ample time for the continued maintenance of this project.

It simply remains for me to wish Sir David many happy years of retirement. We are greatly indebted to him for his exemplary service. I am pleased that this service was recognised in the other place, as he became the first retiring Clerk of the Parliaments to receive tributes there.

Finally, on behalf of the House, I welcome Ed Ollard, Simon Burton and Jake Vaughan to their new roles. I know that we all look forward to working with them. I beg to move.

Noble Lords: Hear, hear.

2.41 pm

Baroness Smith of Basildon (Lab): My Lords, it is a pleasure to follow the noble Baroness in paying tribute to Sir David Beamish on his retirement. Despite within this House the huge experience and long service of many noble Lords and the staff of our Parliament, there will be few who can boast of having served for over 40 years. I confess that I was born in 1974 but I was not very old. It is a truly remarkable record.

As we have heard, Sir David Beamish has seen considerable change in that time. When he started his parliamentary career in 1974, the Leader of your Lordships' House and the Lord Privy Seal was the then Labour Peer, the highly regarded Malcolm Shepherd.

[BARONESS SMITH OF BASILDON]

At that time, there were about only 30 Labour Peers, despite being the government party. Lord Shepherd was, as one might imagine, pretty keen on House of Lords reform. He argued that only those who attended regularly should be allowed to vote—I hear some supporters of that view here today.

Parliament and politics have changed considerably in the years since Sir David first stepped through the doors of Parliament as a new young clerk. The noble Baroness the Leader of the House has rightly paid tribute to the part he has played in overseeing, managing and leading change. Perhaps he took the advice of his “Mastermind” specialist subject, Nancy Astor, when she said:

“The main dangers in this life are the people who want to change everything ... or nothing”.

The knowledge and experience Sir David has gained during his time here will continue to be put to good use. I welcome that, despite retiring, he will still be giving evidence to the House of Commons Select Committee on Public Administration and Constitutional Affairs on the role of an effective Second Chamber. Those of us who have already given evidence to this committee are perhaps united in describing it as a “unique” experience, and look forward to Sir David’s contribution. Perhaps being quizzed by Sir Magnus Magnusson in the “Mastermind” chair is good preparation for giving evidence to any Select Committee.

In choosing his “Mastermind” specialist subject of Nancy Astor, the first woman Member of Parliament to take her seat on being elected to the House of Commons, Sir David showed his admiration for the first female parliamentarian. I suspect and hope that he has welcomed the developments in this House that during his time here have seen the first women Leaders, Chief Whips, Opposition Leaders and Opposition Chief Whips, and indeed the first two Lord Speakers, both of whom were female.

It is clear that not only has Sir David enormous knowledge about your Lordships’ House and Parliament but also a deep affection and respect, and he has enjoyed his work. Only recently, when my noble friend Lord Foulkes posed a question following debate about the role of the Speaker, not only did Sir David reply over a weekend but he also supplied a recording of the relevant debate—from 1968. That attention and commitment to detail is recognised by the staff of the House, so much so that the word “Beamish” has now become a noun: a point of detail that would have otherwise been missed is now known as a Beamish point.

I understand that as well as updating his website on British peerages, Sir David is widely thought to be a significant editor on Wikipedia across a range of subjects and I hope that noble Lords are not nervous at the thought that we can look forward to some updating of their profiles. Despite his considerable work for your Lordships’ House, Sir David also has a significant hinterland of interests that he will undoubtedly enjoy throughout what we hope will be a long, happy and fruitful retirement. On behalf of our Labour group, I thank Sir David for his many years of service and wish him well. I know that the whole

House will join with me and the noble Baroness in wishing his successor, Ed Ollard, every success in his post, and we welcome and congratulate the new Clerk Assistant, Simon Burton, and the new Reading Clerk, Jake Vaughan.

2.45 pm

Lord Newby (LD): My Lords, I associate myself with the comments of the Leader and the Leader of the Opposition. Everybody in your Lordships’ House knows that Sir David Beamish is a man of many talents. One that he hid from me at least was the one that both speakers have referred to—namely, his ability as a quiz show contestant. Not only did he win “Mastermind”, he also won “Master Brain”, which was an amalgamation of the radio quiz “Brain of Britain” and “Mastermind”. His specialist subject there was the works of Beatrix Potter. I wonder if he thought of himself as Parliament’s equivalent of Mr McGregor. I suspect not because he was far too kindly. He honed his knowledge on that subject, apparently, on car journeys by thinking up questions to ask himself. I am not sure whether he whiled away the longueurs of committee meetings in your Lordships’ House by following the same pursuit, but if he did, I doubt whether committee members would have been aware of it.

Sir David began his career in an era when the regulation of banks in the City was allegedly done largely by the raising of the Governor of the Bank of England’s eyebrow. In David’s case, he expressed his displeasure, in committees at least, by knitting his brow and frowning in a manner that implied that he had thought of at least three compelling arguments why the proposal being propounded, no doubt by some relatively new and inexperienced committee member, was not seriously to be entertained. That could have a seriously restraining influence on more experienced members of the committee who, having seen David’s frown, were less inclined to support the proposal because they knew that he was, albeit elegantly, about to shoot it down in flames.

As we have heard, Sir David’s career covered, by House of Lords standards, a period of unparalleled change. His role was often to strike a balance between accommodating change and doing so in a way that was within the overall traditions of the House and therefore likely to command its support. He was extremely adept at doing so. We all know that there is a very considerable gap in the ages at which we expect our officials to retire and those at which your Lordships retire, and David is retiring at the height of his powers. I believe that he has a number of interests that he is keen to pursue more vigorously. I did not know about Wikipedia. No doubt noble Lords will be looking at their entries to see if they are changed in the foreseeable future. We wish him well in these endeavours and a very long and happy retirement. In wishing him well, I too wish Ed Ollard the new Clerk of the Parliaments, the new Clerk Assistant and the new Reading Clerk well. We are very fortunate in the calibre of staff in your Lordships’ House and we look forward in particular to working very closely with these three new appointees in the new Parliament.

2.48 pm

Lord Hope of Craighead (CB): My Lords, on behalf of these Benches, I, too, pay tribute to Sir David Beamish and thank him for all that he has done for us. It has been my unique privilege as Convener to observe Sir David at close quarters on many occasions when he was doing his job as Clerk of the Parliaments. These observations have been, if I may put it this way, both from the front and from behind. I met him face to face in his office at our regular fortnightly meetings when we would discuss matters of mutual interest and I could watch him from behind each sitting day, he in his place at the Table and me in mine directly behind him on the Cross Benches, especially at Question Time. If there are two words that I think best describe the impression that these observations have made, at least on me, they are “boundless energy”. A conversation with him was always a stimulating experience. If you asked him a question, the words were hardly out of your mouth before he answered it, and his speed of thought was so astonishing that there were times when I wondered whether he had had a chance to think at all, but being David of course he did.

As for his behaviour as seen from behind at Question Time when he had to remain silent, it was his physical agility that impressed me. There was the jump to his feet as he called upon each noble Lord to put the Question. There was the crouching position that he adopted as the seven-minute deadline approached, which became even more pronounced as the Clock moved on towards eight minutes. At that stage his hand would grip the side of the Table to give him increased leverage for the next jump up to call the next Question. There was physical agility on other occasions, too. When the Lord Speaker or a Deputy Chairman of Committees got into difficulties on the Woolsack, those at the Table, so far away, had to resort to sign language. However, in David’s case it was not just sign language that he used; sometimes it was a unique kind of semaphore as he waved his arms around with increasing vigour in an urgent attempt to get his message across. So whether it be mental agility or physical agility, I doubt whether we ever had a more athletic Clerk of the Parliaments.

As has been mentioned already, David entered the service of the House in 1974. In her autobiography, *The World Walks By*, the noble Baroness, Lady Masham of Ilton, paid a generous and unique tribute to the help he gave her when he was in the Clerks’ department in the 1980s. It was he who drafted various amendments for her when she was involved with the Mental Health (Amendment) Bill, and it is remarkable that he is the only person who is named in that chapter, so it was a unique privilege.

As Sir David reminded the Cross-Bench Peers when he came to speak to us at our weekly meeting on the day before his last day in the House before Easter, the reputation of the House at the start of the 1980s was even more fragile than it is today. Today, all the talk is about the size of the House and the need for reform to address that issue. In the 1980s, he said that the talk was all about abolition. A motion that the House should be abolished was carried at one of the party conferences—I leave your Lordships to decide which it was—by 6 million votes to 45,000. Since then, reforms

have been made not only to our composition but to the ways in which we work. As a result, as has been said, the House is now a very different place from what it was when he embarked on his career all those years ago.

Sir David has played his full part in the development of better working practices with obvious good humour and efficiency. He has been a great servant of this House, and we on these Benches join all noble Lords in thanking him most warmly for all he has done for us and in wishing him well for the life in the wider world that undoubtedly now lies ahead of him.

Before I close, I, too, join in the words of welcome to his successor, Ed Ollard, and to those who will join him at the Table, and we look forward very much to working with them in the years that lie ahead.

2.54 pm

The Lord Bishop of Southwark: My Lords, I warmly associate myself with the words of tribute already spoken and add my own on behalf of the Lords Spiritual. Sir David Beamish has combined wise counsel, trusty support and firm friendship for all on these Benches, and my colleagues and I have greatly benefited from his guidance. In addition to the impressive list given by the Leader of the Opposition, he has also witnessed as Clerk the first two female Lords Spiritual. As your Lordships’ House knows, there is something of an ecclesiastical revolving door on these Benches. Those of us who arrive here when our time comes for service lean heavily on the clerks and other staff to this House to ensure that we get up to speed quickly with the just requirements of this Chamber. Without the reassurance and gentle steers of the clerk, many of us would have found ourselves floundering.

I should add that I am especially grateful to Sir David for his enthusiastic commitment outside this place to the life of the Church, especially in my own diocese. An active member of St Barnabas, Dulwich, he has also somehow managed to find the time to become both secretary to the Dulwich deanery synod and a very cheerful member of the Southwark diocesan synod. It is my great pleasure to continue to work alongside him in these capacities. I warmly welcome Edward Ollard, our new Clerk, and very much look forward to working with him and the new Clerk Assistant and Reading Clerk.

2.55 pm

Lord Lisvane (CB): My Lords, I have known Sir David Beamish for 42 years. For three years I had the pleasure of being his opposite number in the House of Commons. I pay tribute to him for staying in his job a little longer than I stayed in mine. David’s friendship, courtesy, intellectual horsepower and indomitable cheerful optimism, no matter how adverse the circumstances, made that a delightful and constructive relationship.

As Clerk of the Parliaments, David was always a great advocate of comity—the mutual respect and co-operation between the Houses. This showed itself always in seeking a solution that was best for Parliament without ever losing sight of the interests of your Lordships’ House. More effective shared services between the two Houses was one outcome, but I was especially grateful to David for his partnership in commissioning

[LORD LISVANE]

the first comprehensive assessment of the condition of the Palace of Westminster. We both felt that we could not be another generation of stewards of this extraordinary building who were not prepared to deal with its problems. For David, his love not only of Parliament but of its ancient home was a powerful motive.

David has been a fine servant of your Lordships' House and of Parliament, and I wish him and his family every happiness for the future.

2.57 pm

The Lord Speaker (Lord Fowler): My Lords, in reply to the Convenor, the pronounced semaphore that he refers to was so pronounced on one occasion, with a marvellous shake of the hand, that I thought fire had broken out in the House of Lords. Indeed, I was about to adjourn the House when I found out that it was in fact something about a manuscript amendment to an amendment, which I still do not totally understand. In endorsing everything that has been said, the Question is that this Motion be agreed to.

Motion agreed nemine dissentiente.

Clerk of the Parliaments

Introduction of Edward Christopher Ollard

2.58 pm

Moved by Baroness Evans of Bowes Park

The letters of appointment for Mr Edward Christopher Ollard as the next Clerk of the Parliaments were read and he made the prescribed declaration:

"I, Edward Christopher Ollard, do declare that I will be true and faithful and troth I will bear to Our Sovereign Lady the Queen and to Her Heirs and Successors. I will nothing know that shall be prejudicial to Her Highness Her Crown Estate and Dignity Royal, but that I will resist it to my power and with all speed I will advertise Her Grace thereof, or at the least some of Her Counsel in such wise as the same may come to Her knowledge. I will also well and truly serve Her Highness in the Office of Clerk of Her Parliaments making true Entries and Records of the things done and passed in the same. I will keep secret all such matters as shall be treated in Her said Parliaments and not disclose the same before they shall be published, but to such as it ought to be disclosed unto, and generally I will well and truly do and execute all things belonging to me to be done appertaining to the Office of Clerk of the Parliaments".

After which he took his seat at the Table.

Clerk Assistant

Appointment of Simon Burton

3.01 pm

Moved by The Lord Speaker

That this House do approve the appointment by the Lord Speaker, pursuant to the Clerk of the Parliaments Act 1824, of Simon Burton to be Clerk Assistant of the House in place of Edward Ollard appointed Clerk of the Parliaments.

Motion agreed nemine dissentiente.

Reading Clerk

Appointment of Jake Vaughan

3.02 pm

Moved by The Lord Speaker

That this House do approve the appointment by the Lord Speaker, pursuant to the Clerk of the Parliaments Act 1824, of Jake Vaughan to be Reading Clerk of the House in place of Simon Burton appointed Clerk Assistant.

Motion agreed nemine dissentiente.

Schools: Gardening

Question

3.03 pm

Asked by Baroness Benjamin

To ask Her Majesty's Government what steps they are taking to encourage school gardening, to ensure that every child understands the environment and has an early connection to nature.

Baroness Benjamin (LD): My Lords, I beg leave to ask the Question standing in my name on the Order Paper. In doing so, I declare an interest as RHS ambassador.

The Parliamentary Under-Secretary of State, Department for Education (Lord Nash) (Con): My Lords, the science national curriculum requires that children are taught about plants and can identify common wild and garden plants. Guidance encourages schools to use the local environment so that children can investigate plants growing in their habitat. The government-backed 1 million trees for schools campaign gives millions of children the chance to plant saplings in their school grounds and communities, helping them to connect with nature and make their school grounds and neighbourhoods greener.

Baroness Benjamin: My Lords, I thank the Minister for that Answer. Numerous reports have shown that children as young as four suffer from depression and anxiety. Research proves that gardening is not only therapeutic for them but gives them a sense of continuity, responsibility and an understanding of food production. It can help them with subjects across the curriculum, and even with a career in horticulture. Will the Government work with the RHS school gardening campaign to deliver gardening opportunities to schools across the country and urge Ofsted to take such provision into account when inspecting schools?

Lord Nash: The noble Baroness is quite right about the therapeutic benefits of gardening for children. I know that the RHS—I pay tribute to the noble Baroness for her ambassadorship—has a great campaign in schools for this. That campaign now has more than 32,000 schools and organisations engaged, including 68% of primaries and 78% of secondaries, reaching 6 million children. As far as Ofsted is concerned, we do not want to load it up with too many specific, narrow requirements, but school inspectors consider the breadth and depth of the school curriculum and

its impact on children. Inspectors will note where a school's use of outdoor space has a positive impact. They also expect schools to provide rich and varied extra-curricular activities, which may well include gardening.

Baroness Fookes (Con): My Lords, while warmly endorsing the RHS campaign, I would make another point to my noble friend. Could he encourage teachers, particularly career teachers, to look favourably upon the many interesting educational developments that come from studying horticulture at a much greater level? There are many of these amazing careers open, but very often we find that teachers downgrade them. That annoys me enormously.

Lord Nash: My noble friend is right that there are many good careers in horticulture, landscape gardening, gardening et cetera. We invested heavily in enhancing the careers provision in schools through our Careers & Enterprise Company. I know that this is something it has looked at, and that many schools take this quite seriously. Indeed, at Cambridge special school in Hammersmith pupils do a BTEC in land-based studies using city farm space attached to the school. This has been very beneficial to many graduates' careers.

Baroness Nye (Lab): My Lords, research by the Royal Horticultural Society shows that its Campaign for School Gardening can contribute to a sustainable environment, which is important because schoolchildren walk along roads where legal limits on air pollution have already been breached in 16 areas just this year. When will the air quality action plan to cut illegal levels of nitrogen dioxide be published? The election is no excuse, because Cabinet Office guidelines are absolutely clear that *purdah* rules can be lifted where public health is at risk.

Lord Nash: The noble Baroness has wandered slightly off my brief, but I will take this back. Of course, the Government are developing a 25-year environment plan to achieve our manifesto commitment to be the first generation to leave the natural environment of England in a better state than we found it.

The Countess of Mar (CB): My Lords, there is an amazing pool of ignorance among children and young people as to where their food comes from. I am not talking about vegetables in this case but milk, eggs, cheese and meat. In most cities there are now city farms, and farms are very willing to accommodate children and young people to show them where their food comes from, so would the Minister encourage this practice?

Lord Nash: Most certainly. It is absolutely essential that children are taken out of their environment. I know that there is now Oasis's city farm in Waterloo. There is also a very good organisation called Jamie's Farm which a number of schools send children to so that they learn about farming, crop growing and animals and vegetables.

Lord Bradshaw (LD): My Lords, I was in York a few days ago, where there was a row of 20 new houses in dark brick, with dark windows, fences and dark pavements. One of them had hanging baskets, pots and window boxes. This completely lifted the appearance of the whole thing. On the therapeutic aspects, this needs real encouragement from not only the RHS but also the National Trust. Would the Minister please also turn the attention of the appropriate part of government to the issue of allotments, which give many city people the opportunity to go out and do some gardening?

Lord Nash: I entirely agree with the noble Lord's comment about the therapeutic effect—both the British Medical Council and Natural England commented on this—particularly for children with disadvantages of some kind. I have seen this for myself in alternative provision schools and special schools. I will certainly pass on his comments about allotments.

Lord Knight of Weymouth (Lab): Given the educational value of these gardens, now that the Minister has had a windfall of time landing in his diary over the next few weeks, will he find time to dig through the weeds of the school funding formula to see whether head teachers will have enough resources for school gardens? Then perhaps the seeds of doubt will sprout about whether the line he is about to give us about the school funding formula is wearing a little thin.

Lord Nash: I am most impressed with the noble Lord's ability to weave into this Question something which might appear to be so off-piste, but he will know, from his experience of having done my job, that when all the MPs disappear to try to get re-elected it is the Lords Minister who does all the work. However, I will attempt to come back to him with a more fulsome answer to his question.

Lord Elton (Con): My Lords, there is a great deal of public awareness about the developmental pressure on playing fields, but I do not think there is any about growing space. Gardening takes room—less room than sport—but it is very important. How is the Minister informed of those pressures and how is he protecting those resources?

Lord Nash: The noble Lord makes a very good point. We are very keen to protect school land and school playing field land. There is a legal requirement on anyone holding public land which has been used for a maintained school or academy in the last eight years—or 10 years in the case of some playing field land—to seek consent from the Secretary of State. This will include land used not just for playing fields but for horticultural purposes.

Baroness Butler-Sloss (CB): My Lords, the Ashden charity, of which my daughter-in-law is the chairman, gives awards for sustainable energy across the world, including in England. It gave an award to a primary school which dug up a small amount of the playground and planted vegetables. Does the Minister think that this ought to be encouraged?

Lord Nash: I certainly do. I have not heard of the charity to which the noble and learned Baroness refers but I know that other schools have been doing that. It is certainly something we would be keen to encourage.

India: Extremism *Question*

3.12 pm

Asked by **Lord Ahmed**

To ask Her Majesty's Government what assessment they have made of the rise of extremism in India following the state elections in Uttar Pradesh.

The Minister of State, Foreign and Commonwealth Office (Baroness Anelay of St Johns) (Con): My Lords, we are aware of concerns over religious tolerance and community relations following recent state elections in India. Prime Minister Modi has made it clear that every citizen has the right to follow any faith, without coercion, and vowed to protect all religious groups. We welcome this statement. The Indian Government have a range of policies and programmes to support minority groups, and we support India's commitment to the fundamental rights enshrined in its constitution.

Lord Ahmed (Non-Affl): I thank the Minister for her reply. Is she aware of the recent Hindutva vigilante-style attacks on Christians, Muslims, Sikhs and Dalits? According to a senior Indian army general, HS Panag, and the former chief justice of the Delhi High Court, the honourable Mr Shah, right-wing nationalists such as RSS and the Hindutva brigade have targeted all minorities in the name of nationalism. Is the Minister aware of the concerns expressed in the Pew report on religious intolerance in India, and the United States Commission on International Religious Freedom's report on the constitutional and legal challenges faced by religious minorities in India? Will Her Majesty's Government remind the BJP Government of their obligations under international law for the protection of minority communities?

Baroness Anelay of St Johns: My Lords, we share the noble Lord's concern about the importance of ensuring that there is religious freedom, because it is a foundation for economic and public security. I can assure him that the British high commission in New Delhi discusses human rights issues with institutions such as the Indian National Commission for Minorities and state governments. More than that, in direct answer to his question, the British Government work directly with the Indian Government to build capacity and share expertise to tackle challenges, including the promotion and protection of human rights. Next month, that will include working with India on its universal periodic review.

Lord Gadhia (Non-Affl): My Lords, does my noble friend the Minister agree that, instead of interfering in the internal democratic processes of the world's largest democracy, the Government should be working closely with Prime Minister Modi's Government to open up and liberalise the Indian economy, and encourage more trade and investment between the UK and India to promote development in both countries? That is

what the people of Uttar Pradesh overwhelmingly voted for, and that is the clear message we should send to India—one of our closest friends and allies—from this British Parliament.

Baroness Anelay of St Johns: My Lords, we are indeed clear friends of India. The UK-India trade relationship is flourishing. The two Prime Ministers agreed that, when the UK leaves the European Union, they will make it a priority for both countries to build the closest possible commercial and economic relationship—but our friendship also goes to the development of human rights.

Lord Collins of Highbury (Lab): I am grateful for that commitment by the Minister, because many of us will be very concerned that, as a consequence of Brexit, the focus of the Foreign and Commonwealth Office will be on trade and economic development alone. Will she repeat, again, that there can never be a trade-off between economic trade and human rights and that we will remain committed to raising our concerns with President Modi at every opportunity, because the recorded level of violence against minorities has increased and we must raise it with the Government?

Baroness Anelay of St Johns: My Lords, the Prime Minister referred to reports of violent offences when she visited India in the first bilateral overseas visit after she became Prime Minister last summer to show the importance that we ascribe to our relations with India. The reports have also been raised more recently by my honourable friend the Minister for Asia when an Indian Minister visited this country. So we will continue to raise those issues. It is for the benefit of both countries that we develop our trade relationship—but, as I mentioned earlier, it is our firm belief that good relations and strong human rights are the underpinning for successful economic development.

Lord Wallace of Saltaire (LD): My Lords, does the Minister agree that what happens between faith communities in other countries can spill over into the UK, particularly when we have diaspora communities? We have a significant Indian community in Bradford. They are mainly Gujarati. Some are Muslim, some are Hindu. Relations are good, but on other occasions and with other faiths we have seen how, when events in the countries from which their ancestors came worsen, relations in this country can worsen. I pay tribute to the excellent work that the Minister has done on interfaith issues in this country. Is this not something with which the Government should engage, and should they not point out to the Indian Government that this is not a matter simply for them?

Baroness Anelay of St Johns: My Lords, with regards to the diaspora, ensuring that there are good community relations is a serious issue. How could I think otherwise coming from Woking, where such a significant proportion of the community brings with them the strength of their background in the Punjab and enriches our community? It is important that, across the United Kingdom, faith should join us, not break us up.

Brexit: Negotiations

Question

3.18 pm

Asked by Lord Dykes

To ask Her Majesty's Government what assessment they have made of the principal Brexit negotiation issues following the invoking of Article 50.

The Parliamentary Under-Secretary of State, Department for Exiting the European Union (Lord Bridges of Headley)

(Con): My Lords, the Prime Minister's letter to the President of the European Council comprehensively articulates this Government's assessment of the principal negotiation issues. We are pleased that the indications are that both sides wish to approach these talks constructively and we look forward to negotiations beginning when the time comes.

Lord Dykes (CB): I thank the Minister for that Answer. Bearing in mind the importance from now on of very close relations with another leading member state—France—and the importance of trade negotiations, will the Government make an effort to have close relations with it in the context of national member states and their responses to the Brexit negotiations to make sure that, even if the Government cannot go as far as accepting the wise advice of Mr Macron when he came to London last February, they will make every effort to make sure that we have a good outcome?

Lord Bridges of Headley: I thank the noble Lord for that question. He will not expect me to comment on individual elections in other European member states, but your Lordships can rest assured that my ministerial colleagues and I are doing all we can to have relationships that are as cordial as possible and to build the atmosphere of trust that we wish to see before the negotiations begin.

Baroness Smith of Newnham (LD): My Lords, what assessment have the Government made of the amount of parliamentary time that will be lost thanks to a general election and whether that can be added back in, so that there is adequate parliamentary scrutiny of the negotiations, given that the limit for the negotiations is two years and we are going to lose about two months?

Lord Bridges of Headley: I can assure the noble Baroness and all noble Lords that there will be ample time for a debate about the matters before us, not just over the months to come after the general election but in the weeks before it—I am sure everyone is looking forward to it. As regards the time lost, I draw the noble Baroness's attention to the fact that, as I understand it, the General Affairs Council will not adopt the Commission's draft negotiating guidelines until 22 May at the earliest. Therefore, political negotiations will not begin before early June. As the Commission has said, those negotiations will begin after the general election on 8 June.

Baroness Hayter of Kentish Town (Lab): My Lords, on the election, as TV's Mrs Merton famously asked Mrs Daniels, "So what first attracted you to the millionaire

Paul Daniels?", perhaps I could ask Mrs May, "So what first attracted you to an election when you were apparently 20 points ahead in the polls?". However, the Question in front of us is about Europe. We need an exit that assures access to the single market, a continuing relationship with Euratom and the other agencies, and protection of the rights of EU nationals. Some of these might require some involvement with the ECJ. Does the Minister not think that this is something the Government might now look at, so that we can achieve those broader objectives?

Lord Bridges of Headley: I am delighted that the noble Baroness is looking forward to 8 June as much as a number of us are. I can absolutely assure the House that we are looking at options as set out in the Government's White Paper. The Prime Minister, I and other ministerial colleagues have made it clear time and again that we wish to end the primacy of EU law once we have left the EU. As regards the specific issues, I have nothing further to add to what has already been set out in the White Paper.

Lord Garel-Jones (Con): My Lords, given the complexity of the negotiation with the 27 other member states, does my noble friend agree that any attempts, from wherever they may come, to push the Government towards revealing their negotiating positions can only weaken those positions?

Lord Bridges of Headley: My noble friend speaks with considerable experience of negotiating in Europe, so I absolutely heed his remarks. As I have said time and again at this Dispatch Box, while ensuring that this House and the other place will have the opportunity to scrutinise the Government's negotiating position, it is of paramount importance, as my noble friend so rightly says, that we protect our negotiating position, as that is clearly in our national interest.

Lord Pearson of Rannoch (UKIP): My Lords, is not the deeper problem that the Eurocrats are much more interested in keeping their sinking project of European integration afloat, because it pays them so well, than they are in meeting the needs of the real people of Europe, which are much the same as ours?

Lord Bridges of Headley: The noble Lord has his own unique way of saying things and not mincing his words. I think we can be sure about that. It is in all our interests, on this side of the channel and right across Europe, to ensure that the withdrawal negotiations work in both our and Europe's interests, and to ensure that our exit is smooth and orderly and that we continue to trade with our European partners as we have done for generations in the past. That is the overriding intention, and it is good to see that so many of our European partners are saying similar things as we speak.

Lord Forsyth of Drumlean (Con): My Lords, on the subject of making the best use of parliamentary time, would it not be a good start after the general election if every party in this House accepted the results of the referendum?

Lord Bridges of Headley: My Lords, that would be a very good thing. As the Prime Minister has said, this party and this side of the House will be setting forward a clear approach to those negotiations to ensure that we get the very best deal for this country in the months ahead.

Lord Wrigglesworth (LD): My Lords, does the Minister agree with the CBI assessment that we will have to establish the equivalent of 34 domestic agencies to replace EU agencies when we withdraw—if we do—from Europe? Has any assessment been made of that and, in particular, of the cost of funding 34 agencies?

Lord Bridges of Headley: The noble Lord makes a good point. Considerable work is being undertaken by my department and right across Whitehall regarding the impact of our withdrawal on UK regulators and regulatory bodies. I shall not go into detail on that at this precise juncture, but noble Lords should rest assured that in the months ahead, were a Conservative Government to be returned, we would ensure that those plans are set out.

Lord Cormack (Con): My Lords, I thank my noble friend for using the word “partners” so regularly. Would he remind certain Members of your Lordships’ House, including the noble Lord, Lord Pearson, that we are talking not merely to Eurocrats but to companions and friends in 27 other European nations?

Lord Bridges of Headley: My noble friend makes a very good point. As I have said before—indeed, a moment ago—it is absolutely in our interests to ensure that these negotiations are not only in our mutual interests but also smooth and orderly. It is in no one’s interest to see Europe’s prosperity or security diminished as we leave the EU.

Baroness McIntosh of Hudnall (Lab): My Lords, would the Minister care to confirm, as he has in the past, that accepting the result of the referendum does not have to imply not scrutinising what comes after?

Lord Bridges of Headley: I have enjoyed the debates that we have had in this House, and I have said many times that obviously this House and the other place will have a considerable role to play as we leave the EU in scrutinising the Government’s proposals, the way ahead and the significant pieces of legislation, not least the great repeal Bill, that Parliament will be asked to pass.

Nuclear Energy: Small Modular Reactors *Question*

3.26 pm

Asked by Viscount Hanworth

To ask Her Majesty’s Government what progress has been made in assessing the submissions to the Small Modular Reactors Competition, and what steps are being taken to dispose of the nation’s stocks of high-grade plutonium.

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Prior of Brampton) (Con): My Lords, last summer officials met with all eligible small modular reactor competition participants to discuss their proposals. We will communicate next steps for the SMR programme in due course. Significant work is already under way to assess the options for the long-term disposition of the UK’s civil plutonium inventory. The different technologies have varying degrees of maturity, and more work is required to enable the UK to assess, select and subsequently implement the preferred option.

Viscount Hanworth (Lab): I thank the Minister for that Answer. I am glad to hear that the second stage of the competition is forthcoming. The competition has been a confusing affair. It has been inhibited by the rules that prevent the Government engaging directly with competitors. The decision on how to handle our stocks of plutonium has been held in abeyance for many years. Is it true that the Government are now disregarding the possibility of using plutonium to fuel a fast reactor such as the PRISM or the CANDU reactors, and that they are favouring subterranean disposal? My essential question is this: when will the Government recognise the need to adopt a strategic plan for our nuclear industry that is supported by the necessary government funds?

Lord Prior of Brampton: My Lords, the Government’s position is clear on how to deal with the plutonium inventory that we have accumulated over many years: the NDA has been set up with the funds to assess the two broad options, which are either to reuse plutonium or to store it safely.

Lord Howell of Guildford (Con): My Lords, I declare an interest as chairman of the Windsor Energy Group. Does my noble friend agree that the SMRs hold out one of the best paths for the development of cheaper but also safe nuclear power, and probably perform better than the existing vast creations and structures that have been built today? Does the competition cover not only the conventional SMRs but the other technologies, including stable salt reactors which offer an even cheaper and safer form of nuclear power? They are now being developed and taken up by the Canadians and may be the way forward for us as well.

Lord Prior of Brampton: My Lords, the honest answer is that we simply do not yet know whether small modular reactors will represent a cheap source of low-carbon energy for the future. We just do not know what the economics are, which is why in due course we will be publishing a technical and economic evaluation, based on assessing the 32 proposals that have been put to us for SMRs. The only truthful answer at the moment is that the jury is still out.

Lord Fox (LD): My Lords, the Minister will be aware that different designs of SMR require different levels of fuel enrichment, and that that brings into play proliferation issues. Can he explain what thoughts and conversations are going on about proliferation and how the UK will continue to pursue non-proliferation issues when we summarily remove ourselves from Euratom?

Lord Prior of Brampton: My Lords, clearly, in any assessment of new SMR technology, safety and non-proliferation will be crucial. The regulatory and policy aspects of developing SMRs are very much at the front of the Government's mind.

Baroness Brown of Cambridge (CB): My Lords, I speak as a proud former Rolls-Royce engineer and, as a result of my employment, a Rolls-Royce shareholder. Given the news that the EU is now excluding the UK from new collaboration, the growing evidence of the challenge of financing major nuclear power station development and the importance of low-carbon energy technologies to global decarbonisation, does the Minister agree that our exit from the EU provides an excellent opportunity to support UK technology and jobs—including in the steel industry, which we will be talking about tomorrow—and to address a major global export market through government support for the Rolls-Royce-led small modular reactor programme? I suggest that that would be a great feelgood message for after the election.

Lord Prior of Brampton: As the noble Baroness knows, Rolls-Royce is one of the 32 companies which have submitted a proposal. There is no doubt that if we could build SMRs on a modular basis, much of the work could be done in the UK. We may have lost out in the race to build big nuclear plants, but companies such as Rolls-Royce and others in the UK could compete effectively on SMRs and we could then export them around the world. But there is no point embarking on that new technology until we are sure that it can deliver low-carbon energy at an economic cost.

Lord West of Spithead (Lab): My Lords, there seem to be huge benefits in moving down the route of small modular reactors. The Minister will be aware that, notwithstanding the efforts of my leader, the Navy runs a huge number of nuclear reactors. When those nuclear submarines are plugged into the national grid, does the MoD get money back for the electricity being put into the national grid?

Lord Prior of Brampton: I am not quite clear whether the noble Lord is announcing yet another Labour Party policy: that in future, Polaris submarines will, instead of firing Trident missiles, be plugged into the national grid, but it is something to conjure with. In principle, the way that the grid will be supplied in future will enable those supplying it, whether through SMRs or other ways, to be properly remunerated.

Lord Broers (CB): My Lords—

Lord Elis-Thomas (Non-Afl): My Lords—

The Lord Privy Seal (Baroness Evans of Bowes Park) (Con): My Lords, we will take the Cross Benches.

Lord Broers: My Lords, does the Minister realise that this is a very competitive industrial situation? We cannot go on procrastinating. In engineering matters, there is never 100% certainty. We must step forward and take a risk on this, to my mind.

Lord Prior of Brampton: The noble Lord makes the good and strong point that you can never be 100% sure, but you have to assure yourself that there is a route to market before you embark on a major new capital investment.

Arrangement of Business *Announcement*

3.33 pm

Lord Taylor of Holbeach (Con): My Lords, I wish to make a short Statement on this week's business, which I hope will be of convenience to the House. It will not have escaped noble Lords' attention that there were several developments last week. On Tuesday morning, my right honourable friend the Prime Minister announced her intention to invite the House of Commons to agree to an early Dissolution of Parliament to allow for a general election on Thursday 8 June. The other place did so emphatically last Wednesday. Following that decision, in consultation with the usual channels, the Whips' Office issued a revised *Forthcoming Business* last Thursday, which included a number of changes to this week's business to reflect the fact that the end of this Parliament is nigh. I am grateful to the usual channels for their constructive co-operation in this matter.

In a moment, my noble friend the Leader of the House will invite the House to agree to the Motion, which is a standard feature of what we know as wash-up at the end of a Parliament, to ensure that the remaining business can be considered this week, in the way indicated in *Forthcoming Business*. The majority of the remaining business will be the consideration of reasons or amendments from the Commons in the normal way, to the timings indicated in *Forthcoming Business*. This week's business includes two Bills that are on their way to us from the Commons—the Finance (No. 2) Bill and the Northern Ireland (Ministerial Appointments and Regional Rates) Bill. It is proposed that both Bills go through their substantive stages in this House on Wednesday. It is also proposed that the Third Reading of the Criminal Finances Bill immediately follows the conclusion of its Report stage tomorrow.

Finally, subject to the progress of the remaining business, we expect to be able to prorogue at the conclusion of this Thursday's business. I will update the House further as necessary, as the week progresses.

Business of the House *Motion on Standing Orders*

3.36 pm

Moved by **Baroness Evans of Bowes Park**

That Standing Orders 40 (*Arrangement of the Order Paper*), 42 (*Postponement and advancement of business*) and 46 (*No two stages of a Bill to be taken on one day*) be suspended until the end of the Session so far as is necessary to allow Her Majesty's Government to arrange the order of business.

Motion agreed.

Immigration Act 2016 (Consequential Amendments) (Biometrics and Legal Aid) Regulations 2017
Motion to Approve

3.36 pm

Moved by Baroness Williams of Trafford

That the draft Regulations laid before the House on 13 March be approved.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the statutory instrument before the House makes consequential amendments to two pieces of primary legislation. The first is the Legal Aid, Sentencing and Punishment of Offenders Act 2012, also known as LASPO. The second is the Immigration and Asylum Act 1999. These amendments are necessary for the commencement of the new immigration bail powers under Schedule 10 to the Immigration Act 2016.

LASPO is being amended in respect of access to legal aid for individuals liable to detention. The Immigration and Asylum Act is being amended in respect of the collection of fingerprints from some individuals in connection with the conditions of their immigration bail. The intention behind the amendments is to maintain the status quo for when legal aid may be accessed and when fingerprints may be taken. This statutory instrument is before your Lordships in the context of the commencement of Schedule 10 to the Immigration Act 2016. When commenced, Schedule 10 will create a new status of immigration bail to replace the complex legal framework under the Immigration Act 1971 in respect of individuals liable to immigration detention.

There are currently a total of six legal statuses relating to bail or release for individuals liable to immigration detention under the 1971 Act. It may be useful to noble Lords if I were to list these. They are: temporary admission or release, under paragraph 21 of Schedule 2; bail, under paragraph 22 of Schedule 2; bail, pending appeal, under paragraph 29 of Schedule 2; bail, pending removal, under paragraph 34 of Schedule 2; bail, pending deportation, under paragraph 3 of Schedule 3; and release on restrictions, under paragraphs 2(5) or 4 of Schedule 3.

Under Schedule 10, these six statuses will be simplified to one single status of immigration bail. This statutory instrument makes the necessary amendments to harmonise the legal framework surrounding release from detention, such that it complements the new system that will be introduced upon commencement of Schedule 10. It follows that the reason for this statutory instrument being before the House today is so that commencement of Schedule 10 can progress smoothly. These changes to primary legislation are necessary to enable the new bail regime to function.

The LASPO amendments are being made to ensure that access to legal aid for immigration bail is neither narrowed nor widened following the commencement of Schedule 10. Indeed, when Schedule 10 is commenced, the provisions to which LASPO refers will be repealed. As I have already made clear, this means that changes to LASPO are required. The changes I refer to are in relation to paragraphs 26 and 27 of Schedule 1 and I

will provide some further detail in this respect. Paragraph 26 provides for a person who is temporarily admitted to the UK to be eligible for legal aid. Paragraph 27 provides for a person who has been released on restrictions to be eligible for legal aid. This statutory instrument amends both those paragraphs to reflect the new legal framework under Schedule 10. We are also inserting a new paragraph 27A into the relevant part of LASPO. This does not represent a change of substance, but is a necessary change in order to ensure that those who are currently eligible for legal aid remain so. I ask noble Lords to note that paragraph 25 of Schedule 1 to LASPO does not need to be changed since it relates to people who are being detained. Those in detention are already eligible for legal aid in respect of bail; the move to immigration bail under Schedule 10 does not change this.

This statutory instrument also makes minor changes to the Immigration and Asylum Act 1999 and I will give some context. Schedule 10 will change the reporting conditions that can be attached to what will become immigration bail. Section 141 of the Act provides a power for an authorised person to take fingerprints from an individual in given circumstances. One such circumstance concerns individuals who have been refused leave to enter but who, under current provisions, are temporarily admitted. The power is exercised if an immigration officer reasonably suspects that the individual might break the conditions of temporary admission relating to residence or reporting and must therefore have their fingerprints taken. Section 141 of the Immigration and Asylum Act currently refers only to a condition for reporting to the police or to an immigration officer. However, the new powers under Schedule 10 mean that immigration bail can instead be imposed, subject to a condition requiring a person to report to the Secretary of State or any other such person as may be specified. This statutory instrument makes the necessary amendment to reflect the new provisions.

In conclusion, the consequential amendments made by this statutory instrument are intrinsic to the smooth and orderly commencement of Schedule 10 to the Immigration Act 2016. The amendments ensure that the new power of immigration bail will not adversely impact on anybody. The amendments to LASPO mean that an individual who is subject to the new encompassing status of immigration bail under Schedule 10 will be treated no differently from the way in which they would have been treated had they fallen under one of the six discrete statuses under the Immigration Act 1971. At the same time, this statutory instrument ensures that biometrics will be taken from only the same cohort of individuals as before, in circumstances as outlined in the legislation. I commend this statutory instrument to the House.

3.45 pm

Lord Campbell-Savours (Lab): My Lords, I wish to intervene in a narrow area. As I understand it, Section 141 of the Immigration and Asylum Act 1999 provides a power for “an authorised person” to take fingerprints from an individual in circumstances as set out in that section. One of those circumstances concerns an individual who has been,

“refused leave to enter ... but has been temporarily admitted under paragraph 21 of Schedule 2”.

The power is engaged,

“if an immigration officer reasonably suspects”

that the individual might break the conditions of temporary admission relating to residence or reporting. I understand that that group of persons is regarded as high-risk, and that is the justification for taking that action.

However, in the United States of America, under the US-VISIT programme run by the Department of Homeland Security, at least 10 fingerprints are taken. A digital photograph is also taken to log and register facial characteristics. That is done for a group of persons entering the United States who are considered a lesser risk than the group referred to in these regulations. To what extent should we widen the amount of information that is held in the United Kingdom, which is described generally in the regulations as simply fingerprints? The regulations do not describe how many fingerprints are taken but refer merely to fingerprints. Should not the regulations be widened to cover a more comprehensive acquisition of information in the way that I have suggested? Will the Minister give us more information on precisely why we are not going down the more comprehensive American route? Are we absolutely convinced that the amount of data we are collecting is satisfactory and adequate in the circumstances?

Lord Kennedy of Southwark (Lab): My Lords, the regulations before us are not in themselves controversial. As the Minister outlined, they make relatively minor changes in respect of provisions contained in the Immigration Act 2016, the Immigration and Asylum Act 1999 and LASPO. I have read the regulations and the Explanatory Notes and am content that the Government have the required powers. As I said, these are relatively minor changes. No concerns have been raised by the Joint Committee on Statutory Instruments. My noble friend Lord Campbell-Savours raised an interesting point. I look forward to the Minister responding to it. Paragraph 7 in the Explanatory Notes is particularly helpful as it sets out the policy background and why these regulations are needed. Therefore, I will detain the House no longer. I am content with the regulations.

Baroness Williams of Trafford: I thank the two noble Lords who have spoken. I say to the noble Lord, Lord Campbell-Savours, that these statutory instruments make consequential amendments to legislation. Legislation is constantly kept under review. As regards widening the scope of the measure, I cannot predict the decisions of a future Government, who may, of course, not be a Conservative Government. However, I am sure that a future Government will consider that measure when keeping legislation under review. At the moment, we have no plans to extend the current practice. Section 141 does not limit the number of digits from which fingerprints may be taken. However, officials who decide to take fingerprints must ensure that their actions are proportionate to the reasons why they are taking them.

Motion agreed.

Misuse of Drugs Act 1971 (Amendment) Order 2017

Motion to Approve

3.49 pm

Moved by Baroness Williams of Trafford

That the draft Order laid before the House on 14 March be approved.

The Minister of State, Home Office (Baroness Williams of Trafford) (Con): My Lords, the Misuse of Drugs Act 1971 (Amendment) Order 2017 was laid in Parliament on 20 April. I am very grateful to the Advisory Council on the Misuse of Drugs for its very valuable advice. The council’s recommendations have prompted the order before you today.

This order relates to three groups of substances. The first is the synthetic opiate known as U-47700; the second consists of 12 methylphenidate-related new psychoactive substances; and the third is etizolam and 15 additional designer benzodiazepines. The effect of this order is to insert these 29 drugs into Schedule 2 to the 1971 Act. This will make it an offence to possess, produce, import, export, supply, or offer to supply these drugs without a Home Office licence.

U-47700 is a synthetic opiate which was originally developed as a research chemical but has found no legitimate use. It is reportedly 7.5 times more potent than morphine. The order will insert U-47700 into Part 1 of Schedule 2 to the Act as a class A drug, due to its high addiction potential.

On methylphenidate-related new psychoactive substances, the injecting of ethylphenidate, an amphetamine-type stimulant, was considered a public health issue in Edinburgh in 2015. Following ACMD advice, ethylphenidate and six similar substances were placed under a temporary class drug order. This temporary class drug order was relaid in 2016 for a further year, and the ACMD has now advised that these substances, plus an additional five related substances, be controlled under the Act. The order will insert these methylphenidate-related NPS into Part 2 of Schedule 2 to the Act as class B substances.

On etizolam and designer benzodiazepines—saying these things correctly is always a test for a Minister at the Dispatch Box—the abuse of benzodiazepines has been well known, and as such, many of these are controlled under the Act. The ACMD had become aware of increasing reports of the harms caused by designer benzodiazepines—those which are not licensed medicines in the UK but imported specifically for their psychoactive effects. Of particular concern was etizolam, which is related to a number of deaths in Scotland. The order will insert etizolam and the further 15 designer benzodiazepines into Part 3 of Schedule 2 to the Act as class C substances.

Etizolam has been identified by some countries, including Italy, as having some therapeutic benefits, so the Government have asked the ACMD to keep its scheduling under the Misuse of Drugs Regulations 2001 under close review. There are no legitimate or recognised uses of any of the other substances before your Lordships today beyond potential research. For these reasons, my honourable friend the Minister for

[BARONESS WILLIAMS OF TRAFFORD]

Vulnerability, Safeguarding and Countering Extremism accepted the advisory council's advice that these substances should be subject to the order before you today. It is intended that two further related statutory instruments will be made to come into force at the same time as the order to add these substances to the appropriate schedule to the Misuse of Drugs Regulations 2001 and to the Misuse of Drugs (Designation) Order 2001.

This order, if made, will provide enforcement agencies with the requisite powers to restrict the supply and use of these harmful substances in this country. It will also provide a clear message to the public that the Government consider these substances to be a danger to society. I beg to move.

Lord Kennedy of Southwark (Lab): My Lords, I am supportive of the order before us this afternoon. I will not be attempting to pronounce any of the names in it. I have carefully read the order and the Explanatory Memorandum and am content to agree it. The Explanatory Memorandum is very helpful, particularly section 7, which sets out the policy background.

It is worth noting that the drugs are being permanently listed as controlled substances in each of the classifications today—namely, class A, class B and class C—on the advice of the independent experts who make up the Advisory Council on the Misuse of Drugs. This is being done following a review they carried out, and they are the experts in these matters. It is also worth noting—again, this is in section 7—that in each of these classifications these drugs have led to the loss of life. I suspect that those affected are more likely to be younger people, and of course that is devastating for their families. Losing anyone at any age is terrible, but in circumstances where that could have been avoided it is all the more heartbreaking.

In conclusion, I am content to approve the order and, with the other measures that are in force with the police, the NHS and the community drug projects, I hope that it will go some way towards ensuring that the people responsible for bringing these substances on to the street are caught and punished, and that their operations are shut down. Then the people taking these substances can get the help they need to get off them and deal with the problems they have in their lives. I am very happy to support the order.

The Earl of Sandwich (CB): My Lords, I have to declare an interest in that my son suffered from benzodiazepines for several years and has only recently, mercifully, recovered from them. Therefore, I have been very well aware of this word.

I am delighted to hear the Minister say that the department is much more aware of the harmful effects of these legally prescribed drugs. However, is she also aware that a proposal has been put forward to the department on providing the minimum help of a helpline for people who are afflicted? This has been put on the table and, if she is not aware of it, she might be able to write to me about it.

Baroness Williams of Trafford: I am most grateful to the noble Earl and the noble Lord for their very constructive comments, and I am very glad to hear that the noble Earl's son is now in recovery. On his

point about a helpline, a number of tools are certainly available to people through websites. I am trying to think of the name of the website—

Lord Kennedy of Southwark: FRANK.

Baroness Williams of Trafford: That is it. FRANK is an aid to guide people—particularly young people—away from drugs and the consequences of their use. Helplines are available. I do not know the answer regarding the one to which the noble Earl referred but I can get him some information.

On that note, I thank noble Lords for their comments.

Motion agreed.

Greater Manchester Combined Authority (Functions and Amendment) Order 2017

Motion to Approve

3.57 pm

Moved by Lord Bourne of Aberystwyth

That the draft Order laid before the House on 20 March be approved.

The Parliamentary Under-Secretary of State, Department for Communities and Local Government and Wales Office (Lord Bourne of Aberystwyth) (Con): My Lords, the draft order that we are considering today, if approved and made, will provide further new powers for Greater Manchester, as agreed in the devolution deals, to support its programme of public sector reform.

The Government have of course already made good progress in delivering their manifesto commitment to implement the historic devolution deal with Greater Manchester. Since agreeing the first deal with Greater Manchester in November 2014, we have passed the Cities and Local Government Devolution Act 2016, followed by a considerable amount of secondary legislation in relation to Greater Manchester. In March 2016, we passed legislation to establish the position of an elected mayor, who will also take over the role of the Greater Manchester police and crime commissioner. The first mayor will be elected on 4 May this year and will hold a three-year term of office.

In December 2016, we passed legislation giving Greater Manchester new powers on housing, planning, transport, education and skills, some of which are to be undertaken by the mayor individually and others by the members of the combined authority collectively. On 24 March, following parliamentary approval, the Minister for Policing and the Fire Service made two orders which transfer the functions of the Greater Manchester Fire and Rescue Authority to the mayor on 8 May and the fire and rescue assets and liabilities to the combined authority, as well as abolishing the fire and rescue authority. They also set out the detailed operation of the police and crime commissioner function when it transfers to the mayor on 8 May, and they transfer the assets and liabilities of the police and crime commissioner to the combined authority.

The draft order we are considering today provides a further significant step for Greater Manchester. It gives effect to many of the further proposals for devolution on which Greater Manchester has consulted. If approved and made, it will enable the mayor to designate areas

as mayoral development areas, subject to agreement from combined authority members, and require the mayor to prepare local transport policies and plans, subject to agreement from seven of the 10 combined authority members—this is a function currently undertaken by the combined authority collectively. It will enable the mayor to pay grants to local authorities, which is designed to support the mayor's decisions around the use of the consolidated transport budget, and require the mayor's vote to be carried in any decision relating to use of the "earn back" infrastructure fund. It will transfer the functions, assets and liabilities of the Greater Manchester Waste Disposal Authority to the combined authority and abolish the waste disposal authority on 1 April 2018. It will also provide the combined authority with the same powers to share information as the constituent authorities have in relation to crime and disorder, education and skills, and environmental issues.

4 pm

The order also provides for funding and constitutional arrangements to support these functions. It requires committee membership to reflect the political balance of the constituent councils, rather than the combined authority itself; that is, as a whole, as it is the constituent councils that make up the combined authority. It requires a chair of any overview and scrutiny committee to be a local councillor who is not a member of the same political party as the mayor. It also enables a single panel to make recommendations on the remuneration levels of the mayor and other combined authority members.

The statutory origin of this draft order is in the governance reviews and schemes prepared by Greater Manchester, in accordance with the requirements in the Local Democracy, Economic Development and Construction Act 2009. Greater Manchester published two schemes, in March and July last year, which included proposals on the powers in this order. As provided for by the 2009 Act, Greater Manchester consulted on the proposals in these schemes. The first consultation ran from March to May and the second ran throughout July and August. The combined authority led the consultations in conjunction with the 10 local authorities. The consultations were primarily conducted digitally, with an online questionnaire and promotion through social media. Posters and consultation leaflets were available in prime locations across Greater Manchester, and respondents were able to respond in writing.

As statute requires, the combined authority provided to the Secretary of State summaries of the responses to each of the consultations. Before laying this draft order before Parliament, the Secretary of State considered the statutory requirements in the 2009 Act. The Secretary of State considers that conferring these functions on the Greater Manchester Combined Authority would be likely to lead to an improvement in the exercise of the statutory functions. In considering it appropriate to confer local authority powers on the combined authority and make constitutional changes, the Secretary of State has had regard to the impact on local government and communities, as he is required to do. Also as required by statute, the 10 constituent councils and the

combined authority have consented to the making of this order. In parallel with this order, we have laid a report before Parliament which sets out the details of the public authority powers we are conferring on Greater Manchester through this order, as required by the 2009 Act.

In conclusion, implementation of the devolution agreements made with Greater Manchester is truly under way. The councils in Greater Manchester have been working closely together for decades, and formally as a combined authority since 2011. The draft order we are considering today is a further significant milestone for Greater Manchester. We will continue to work and devolve more powers to Greater Manchester, contributing to greater prosperity and a more balanced economy, and to economic success across Greater Manchester, the northern powerhouse and the country. I commend this draft order to the House.

Lord Beecham (Lab): My Lords, I thought the Minister might have made a glancing reference to the present editor of the *Evening Standard* for his contribution in a previous life—well, not quite previous life, but shortly to be so—as the author of what is described as the northern powerhouse. Some of us, however, might regard it as something of a northern poorhouse in large parts of the area where there are very significant social problems.

The noble Lord referred to the consultation process, and it is certainly true that there was a process. I am not sure whether he is delighted with the response because, out of the 2.16 million people resident in the area, a grand total of 511 responded to the consultation—that is to say that there were 511 responses, although that does not necessarily mean 511 different people, since some of them may have replied to more than one of the propositions. It is not a matter that has apparently elicited any great enthusiasm in the area, although that does not necessarily disqualify the substance of the regulations from approval.

I would welcome comment on a specific issue. Paragraph 2.6 of the report that accompanies the order states that the Act will be amended to,

"provide that the Secretary of State may by order make provision for any function of a mayoral combined authority to be a function exercisable only by the Mayor and such an order may confer ancillary powers on the Mayor for the purposes of the exercise of general functions".

On the face of it, that appears to give the Government the right to prescribe extra powers to the mayor without the agreement of the combined authority. Will the Minister say whether that is the case or, if not, assure the House and indeed the local authorities that that power is not to be exercised by the mayor without the consent of the combined authority?

Lord Deben (Con): My Lords, I have raised this question before, but I do so again in the hope that this time the Government will listen. If one investigates these orders, in every case local authorities are being given powers that devolve to them choices and decisions that are more suitable for people living in the area. However, the other characteristic is that they enable local authorities to think in a much more holistic way to bring together housing, transport and planning. Yet as far as I can see the Government themselves are not

[LORD DEBEN]

learning their own lesson about how they do things in the centre. We still do things in the centre in precisely the siloed way that we are trying to avoid when it comes to devolution. We are about to have a general election, and this is an ideal moment for the Conservative Party, as represented by the Minister, to say that in future it will reorganise government so that government thinks in a non-siloed way.

I was rather unhappy with the comments of the noble Lord, Lord Beecham, which were a little curmudgeonly. After all, many of us have been looking for devolution for a long time. We thought that that was the essential way to reconnect politics with people; what they see in their locality matters a great deal. However, when we started to think about it we recognised that there was not much point in doing that if we merely replicated the siloed system at the centre. If in this most recent essay in better democracy we come to the conclusion that holistic thinking is the answer, should we not learn that lesson ourselves at the centre?

I hope that my noble friend will be able to say that he will take from this House the message to those concerned with the production of election manifestos—I hope the party opposite will do the same—that we all ought to be concerned with holistic government. If we have started to think in that way in relation to local authorities, we should do it at the centre as well.

Lord Beecham: Does the noble Lord agree that restoring the regional offices of local government, which the previous Conservative Government instituted, would be a helpful way of achieving the objectives to which he referred and with which I concur?

Lord Deben: I do not really want to politicise what is, I think, a generally accepted view about one successful and agreed part of the devolution proposals that we have at the moment. Let us keep to where we can be united and seek to get this Government and this Opposition in their various forms at least to agree on this simple concept. Let us have holistic government and not divided government.

Baroness Pinnock (LD): We on this side support much of what is in the order. The extension of powers and functions to the mayoral authority in Manchester is to be applauded, especially as it moves some way towards those that are enjoyed in London. However, even in London, the decisions made by the mayor can be called to account by an elected body, the London Assembly. Manchester will have the leaders of the constituent councils, and a scrutiny committee will be formed from those constituent councils—that is all. No specific body will be elected for the purpose of calling the mayor and his decisions to account, but the more powers that are given to the mayoral function the more important that calling to account becomes.

The Minister has listed the significant powers that the mayor of Manchester is to have. They include policing, fire, strategic planning, transport and housing, and waste disposal is now added to that list. The only way in which the constituent members of the combined authority can call the mayor to account on the decisions and choices that he makes is via either the council leaders or a small scrutiny committee. I for one think

that is inadequate, and I envisage a point further down the line when the mayor will make a controversial decision and local residents will ask themselves, “How did this happen? Who made the decision and why were we not involved?”.

That is the danger, which I would urge the Minister to consider and rectify at some point in the future, particularly as money is now involved. This has already been pointed out, but I will quote from Part 5 of the order, which relates to funding. It states that,

“the constituent councils must meet the costs of the expenditure reasonably”—

whatever that means—

“incurred by the Mayor in, or in connection with, the exercise of the functions specified”.

That, it goes on to describe, is regardless of whether the constituent councils agree, because there only has to be a majority decision among the leaders of those councils, which means of course that local taxpayers in one of the constituent councils could be asked to contribute to a scheme with which their leader does not agree. I find that quite disturbing. There ought to be a mechanism for reaching difficult decisions that enables all local councils to agree to them. That in my view means the kind of set-up that we have in London with the London Assembly.

Obviously there is much in the order about devolution that I agree with and that is right, because we will have a body with a strategic vision for the conurbation of Manchester. What is not acceptable in my view is the lack of democracy that attaches to that, and the dangers of investing all those powers in one person. I hope that the Minister will be able to respond to these concerns.

Lord Kennedy of Southwark (Lab): My Lords, I shall start with my usual declaration and refer the House to my interests in the register. I declare that I am an elected councillor in the London Borough of Lewisham and a vice-president of the Local Government Association. The Greater Manchester Combined Authority order before us brings into force what I hope is the final part of the agreement. I feel that we always seem to be discussing the Greater Manchester Combined Authority in various forms and I hope that this is the last time we will need to consider it before the election itself.

I have no particular issue to raise on the order. My noble friend Lord Beecham raised an important point on consultation. We have now had a number of these orders and I think that it is fair to say that, for each one, the consultation responses, while I will not say they have been derisory, have not been overwhelming coming through the door. At some point the Government might need to look at how we are consulting people. These are quite big changes that are taking place and, if no one is engaging with the discussion on that, it will be something we shall all regret.

The noble Lord, Lord Deben, made some important points on the devolution of power. I support the devolution of power. If the noble Lord and I were agreeing the manifestos of our respective parties we would be absolutely fine and we would probably agree. But I have no role at all in the Labour manifesto this time, so we will have to see what comes up. The noble Lord and I would probably agree on many things.

4.15 pm

The noble Baroness, Lady Pinnock, made some important points on scrutiny. Effective scrutiny is important. I have an example of effective scrutiny. Many Members may know that I support Millwall Football Club and have done since I was a very young lad. It is fair to say that my council got into some difficulties earlier this year over the development there—but, thanks to some very effective scrutiny undertaken by the town hall and the scrutiny committee, we were able to get behind that and show that the proposal was not right. It has now been abandoned. So that was effective scrutiny. When the mayor makes decisions, it is important that there is a mechanism for scrutiny. The noble Baroness was right to make those points.

In conclusion, I pay tribute to Tony Lloyd, who is the police and crime commissioner for Greater Manchester. He served as a Member of Parliament for just short of 30 years, for two Manchester seats. He was elected in 1983 and stood down from Parliament in October 2012. He served his city with great distinction as a Minister. He was also chairman of the Parliamentary Labour Party for six years. It is no mean feat to last six years in that job. He went on to be the police and crime commissioner for Greater Manchester and has been there since November 2012. We owe him a debt of gratitude for all the work that he has done for Manchester and Greater Manchester. With that, I am very happy to agree to the order.

Lord Bourne of Aberystwyth: My Lords, I thank noble Lords who have participated in the debate on this order on Greater Manchester. I will pick up first on the fulsome tribute paid by the noble Lord, Lord Beecham, to George Osborne—equalled only by the fulsome tribute made by the noble Lord, Lord Kennedy, to Tony Lloyd. As the noble Lord, Lord Beecham, said, it is absolutely right that George Osborne has been very firmly behind these proposals, particularly in relation to the northern powerhouse.

On the points the noble Lord made in relation to consultation, I appreciate the need for consultation and strongly support it. However, he will be aware that the Secondary Legislation Scrutiny Committee, which looked at this draft order, was content that every effort had been made in relation to consultation. I agree that it is a shame that more people did not respond: nevertheless, it is important to put that in context. Those who did respond, responded favourably in every single area that the consultation looked at, as the noble Lord is very generously indicating.

The noble Lord, Lord Beecham, is right about paragraph 2.6 of the report accompanying the order. It is not anticipated that we will use this power to upset the balance of power within the authority. Perhaps I could write him more fully on that point.

On a general point made by many noble Lords on overview and scrutiny—the noble Baroness, Lady Pinnock, and the noble Lord, Lord Kennedy, stressed the importance of this—it is important to note that, in fairness to the authority here, all the deals are bespoke: each one is somewhat different. Greater Manchester has gone further on independence of members by ensuring that a member represents the constituent

authority. The chair of any overview and scrutiny committee has to be of a party different from that of the mayor. That does not necessarily apply to the audit committee. That must have an independent member, but they need not necessarily be the chair. I applaud the authority for pushing for that—and the Government were of course very keen to accept it.

My noble friend Lord Deben spoke graphically and eloquently of the silo system of government. I have much sympathy with him on that point and will take it forward. He may have other avenues open to him—perhaps even further up the food chain than me—where he can perhaps convey that message to ensure that it is taken on board. It is a message that is heard loud and clear.

I thank the noble Baroness, Lady Pinnock, for her general welcome for the draft order and the programme of devolution. I agree with her on the need for balance between the different parts of the devolution deal; that is, the councils represented by individuals on the combined authority, and the mayor. On expenditure, while I appreciate that the phrase “reasonably incurred” perhaps lacks a certain substance, the courts are familiar with dealing with it. However, I take the general point that the noble Baroness makes; it is a very fair one. I also take her point about the need to take everybody with you in so far as you can. I am sure that any mayor of Greater Manchester, whatever their party or whether or not they are independent, will want to ensure that that is the case, so that it is not simply a question of counting heads for majority rule.

I thank the noble Lord, Lord Kennedy, once again for his constructive approach, as always, on this issue and for the vignette on Millwall. No debate is complete without a vignette from the noble Lord’s borough, and I am very pleased to hear the news on that in any event. I agree with him on the importance of scrutiny and look forward, as he does, to the elections and to taking this important step forward in the way that we govern our country. With that, I commend the draft order to the House.

Lord Kennedy of Southwark: I have a final question for the Minister; it is not a problem if he writes to me on it. Police and crime commissioners are limited to two terms. I assume that the mayor is not term-limited. Perhaps he could look at that and write to me, because it would obviously be a slightly different case when it came to looking at mayors of combined authorities, police functions and police and crime commissioners.

Lord Bourne of Aberystwyth: I thank the noble Lord and will gladly write to him on that point.

Motion agreed.

UK Convergence Programme

Motion to Approve

4.22 pm

Moved by Baroness Neville-Rolfe

That this House approves, for the purposes of section 5 of the European Communities (Amendment) Act 1993, HM Government’s assessment as set out

[BARONESS NEVILLE-ROLFE]

in the Budget Report and Autumn Statement, combined with the Office for Budget Responsibility's Economic and Fiscal Outlook and Fiscal Sustainability Report, which forms the basis of the United Kingdom's Convergence Programme.

The Commercial Secretary to the Treasury (Baroness Neville-Rolfe) (Con): My Lords, the major political events of the past few weeks have been the calling of a general election and the triggering by the UK of Article 50 of the Lisbon treaty, giving notice of our withdrawal from the EU. Given that background, today's debate, which stems from arrangements and rules in essence designed to ensure economic convergence among EU member states, might at first glance look a little odd. But the oddity, if it exists, is on the surface only, and there is good reason for submitting the 2016-17 convergence programme before us. Most importantly, there is the fact that, until we leave the EU, we have all the rights and obligations of a member state. Of course, we continue to exercise our rights of membership in this period, and the document before us, which explains UK economic policy, especially in relation to maintaining stability and bringing down the deficit, is one such obligation.

In practice, drafting the paper was relatively straightforward, since it is based on the Spring Budget report and the OBR's most recent *Economic and Fiscal Outlook*. I am sure that noble Lords who have examined it will have seen much familiar content.

I should draw to the attention of noble Lords one detailed but vital point. It is the Government's assessment of the UK's economic and budgetary position, and not the convergence programme itself, that requires the approval of the House. There is one further point which I should stress now. It is that, as the UK is outside the eurozone, we cannot be subject to any sanctions under the EU fiscal rules encompassed in the stability and growth pact of which the convergence programme forms part.

It may be helpful to the House if I provide a brief overview of the information that we have set out in the UK's convergence programme, even though much of this will be familiar. Perhaps the most pleasing point is that in March 2017 we were in a better position economically than many—indeed, most—had predicted. The IMF recently revised up its 2017 growth forecast for the UK by 0.5 percentage points and growth in the second half of 2016 was stronger than the OBR anticipated in the Autumn Statement. In fact, last year the UK grew faster than most other advanced major economies, with near record employment, too. The deficit has also been reduced. Overall public sector net borrowing as a percentage of GDP is predicted to fall from 3.8% last year to 2.6% this year. It is then forecast to be 2.9% in 2017-18 and to fall thereafter to 0.7% in 2021-22—its lowest level in two decades.

As a consequence of all this, we are forecast to meet the EU's 3% stability and growth pact target this year, for the first time in almost a decade. Accordingly, the UK will cease to be subject to the EU's excessive deficit procedure. Although we are leaving the EU, this is good news. We are within sight of bringing to a

halt the increase in the national debt as a proportion of GDP. Nevertheless, at nearly 90% of GDP, the Government believe our debt level is too high. That is why they set out fiscal rules that combine the flexibility to support the economy if necessary in the near term with a long-term objective of returning the public finances to a sustainable position.

The OBR forecasts that business investment will remain subdued as we begin the period of negotiation with our EU friends and partners. It continues to judge that, in the medium term, growth will slow due to weaker growth in consumer demand as a consequence of a rise in inflation. Accordingly, putting the public finances in good order will remain vital for the foreseeable future, all the more so given that the deficit remains too high and that there is a range of risks in the global economy. That is why we are getting ourselves into a position of readiness to handle difficulties of any kind that might come our way.

Our fiscal rules, which enable us to do that, strike the right balance between reducing the deficit, maintaining flexibility and investing for the long term. Our Autumn Statement and Spring Budget set out our plans to build on recent economic growth and our strong employment record, and indeed to raise productivity, which has been disappointingly weak over a long period. We are taking action to improve skills, to give more children the chance to go to a good school, to support the care system and the NHS, to drive innovation and to invest in infrastructure and digital. We have consulted on a Green Paper about an industrial strategy aimed at delivering a high-skilled, productive, competitive economy that benefits people in all parts of the UK. Sound public finances are an absolute necessity to make this happen and to provide the level of public services we all wish to see. That is essentially what the convergence process is about.

To conclude, following the House's approval of the economic and budgetary assessment that forms the basis of the convergence programme, the Government will submit it to the Council of the European Union and to the European Commission. Doing so also provides the EU with a useful framework for co-ordinating fiscal policies. A degree of fiscal policy co-ordination across countries can be beneficial to ensure a stable global economy, which is of course in our own interest. The UK has always taken part in international mechanisms for policy co-ordination, such as the G7, G20 and OECD. Although we are leaving the EU, we will continue to have a deep interest in the economic stability and prosperity of our European friends and neighbours. We will also continue to play our part in this process while we remain an EU member, and we will play our part in other international policy co-ordination processes once we have left the EU. The Government are committed to ensuring that we act in full accordance with Section 5 of the European Communities (Amendment) Act 1993, and I ask this House to approve the economic and budgetary assessment that forms the basis of the convergence programme. I beg to move.

Lord Davies of Oldham (Lab): My Lords, the Minister made the best fist of a pretty thin case. First, it is somewhat absurd that we are debating and seeking to

put through a Motion on the issue of convergence just at the point when the Government have set their sails in the opposite direction, away from any convergence as far as their direct relationship with the European Community is concerned. At least the Minister in the other place, when pressed on this particular obvious sailing point, said, “Well, I don’t really think the issues of convergence affected government policy a great deal”. It is quite clear that the Government have had their own agenda for the economy and have pursued it with considerable rigour, at particular cost to sections of our population—and, I might add, to the economy as a whole. But the issue of convergence certainly did not rank particularly highly in that agenda and the Government, I imagine, can therefore begin their approach to the question of Brexit untrammelled with any regrets that no British Government will have to face up to this issue in the future.

The Government are making much at this stage of economic growth over the last year and a half, with the prediction that it might last a little longer. That is against a background where their record on economic growth was close to catastrophic. They presided over the slowest recovery from a recession in more than 100 years and followed the worst policies for getting the country back on to an even keel. What has this meant? Their target was 2015, which was two years ago. They were meant to hit their target in 2015 but we now have a revision under a new Chancellor, who has slightly more elastic concepts on how rigorous an onslaught should be pursued on the debt position. He is saying that it may be the early 2020s but has not made too great an assurance about that. What would your Lordships say normally to anybody who had promised that they would bend every sinew to producing a position where they got out of debt in five years, and then after seven years said, “We haven’t made it—in fact, we are only half way there and we don’t think we’ll be able to do it for another five years anyway”? It suggests that there is a slight flaw in the Government’s thinking on how well they have done with the economy over the last few years.

The other dimension of it is quite clear: the absence of growth has reduced significantly the receipts to the Exchequer and made the Government’s onslaught on public expenditure even more savage. The Government boast about the fact that they have been conducting their position on public expenditure with a real sense of fairness. Tell that to the disabled. Tell that to the families where children are entering poverty in numbers that we have not seen for two decades. Tell that to the people who are seeing benefits for those in work cut at the levels which they are by this Government. That is to say nothing about what I hope the Government recognise is a crisis in the health service, or about the problems we have with regard to welfare and in particular with care for the aged. It says nothing about the real problems of so many in our community, who depend upon government handouts not because they are idle and have brought things upon themselves but because they live in a society, and an economy, in which it is difficult for them to earn sufficient to sustain their living standards. Yet the Government are busy eroding any support which they enjoy.

Let us turn as well to the question that the Government always emphasise as such a significant achievement: levels of employment. What kind of employment is it? It is no coincidence that when the Minister says that we have made painfully little progress—I am not sure whether she used quite that adverb but she was generous enough to concede that progress on productivity has been limited in recent years—it is a direct reflection of the employment conditions of so many of our people. Far from them being engaged in enterprises alongside employers who are seeking to promote the work, to engage the workers constructively and perhaps even from time to time to listen to them on how work could be done better, we have the exact antithesis. We have people on zero-hours contracts with no commitment to the company at all, apart from the hope that they will be able each week to sustain enough hours in work to keep their living standards.

What employers have been doing is worse. There are appalling examples. They have been saying to such people, “Sling your hook”. That phrase comes from dockers in the 19th century who turned up for work with their hook and if not so many were needed or those who were needed were carefully selected, they rest had to sling their hook, go away and receive no remuneration or sustenance of living standards. It is not surprising that the late 19th-century state had to react to that situation in the face of such discontent. The Government may feel that they are not presiding over a period of such discontent at this time. That may partially be because so many of the people who are in that position have no voice. They have no voice because the very vulnerability of the work they do renders them unable to challenge.

What does this all mean? It means that the Government are now engaged upon Brexit, which will dominate all political and economic debate for a considerable period ahead. What is conspicuous about Brexit—I hope the Minister may at least own up to this fact—is that the Government had absolutely no plans to cope with Brexit and had not anticipated that the vote might go that way. If they did anticipate it, they are very culpable for leaving us in this position, where it is quite clear that our negotiating position is a good deal weaker than it ought to be. The Government keep on saying that we are out on a deep, wide ocean and that we can greatly increase our trade with others whom we have neglected in the past. I have not noticed the British economy neglecting markets in the past. Our problem is being able to be sufficiently competitive to win them. We are walking out on the largest market of all. Whenever the Government mention the United States, India or China, do they not realise that trade with those countries adds up to only a fraction of that which we enjoy at present under the framework of the European Community? That is the nature of the risk being taken.

I realise that this is a straightforward Motion today. There is no question of the Opposition not seeing that we make a last gesture towards convergence, which is required of us as long as we are a member of the European Community, which we are at present. Underpinning it all—and this is what this Government have to face up to—is the basic weakness of their economic position. That may not worry Ministers in

[LORD DAVIES OF OLDHAM]

this House too much because, although they would probably like to continue in office, it is not quite as serious a threat as that to Ministers at the other end who have to retain not just their office but their seat as well. The confidence of Ministers in the other place may be shaken somewhat, and therefore, although I have indicated that the Opposition support this Motion, I offer some warnings as to the future.

Baroness Neville-Rolfe: First, I thank the noble Lord, Lord Davies of Oldham, for supporting the Motion and for filling the void in a debate with few participants today. I suspect he will not be surprised to learn that I do not agree with his cynicism. We have our own economic policy of course in this country, and as I tried to explain, the work to bring deficits down is important from both a European Union and a UK point of view, and we have made progress. It has been difficult, not least because of the legacy—the mess—that we inherited on the economic side, but since 2010 our economy has grown by 14.6%: faster than Germany's and twice as fast as France's. As I mentioned in my opening remarks, we have had good news recently from the IMF, and indeed the CBI published strong figures today. The deficit has been cut by almost two-thirds from a post-war peak of 8.8% and, as he acknowledged, employment is up, by nearly 2.8 million. The employment rate is at a record high of 74.6%.

This is, in my experience, the envy of other member states in Europe, alongside the small business creation that we have also managed to oversee. Our labour laws are strong, and will remain strong, but they also allow different types of employment which have helped us in this country to grow and to innovate. The rise in employment is not all in lower-paid or unskilled jobs. Three-quarters of the rise is in higher-skilled occupations. Zero-hours contracts have a part to play in a modern, flexible labour market, as we have debated before. They are also a small proportion of the workforce—2.8%. We have invested for the future and are at last tackling productivity in a comprehensive way, something which I am certainly very engaged in.

I do not think there is any point in us arguing about Brexit, but I am clear that our bold and ambitious plan offers this country a great future.

As I stated in my opening remarks, following this debate, and with Parliament's approval, the Government will inform the Council of the European Union and the European Commission of our assessment of the UK's medium-term economic and budgetary position. This is a legal requirement under the EU's stability and growth pact, and the information we present is based entirely on information and documents already presented to Parliament and, in the main, debated. That includes the Budget we set out this spring, which upholds our economic stability, invests in the future and keeps the UK on a clear path to prosperity over the long term. The foundation of all those things lies in our work to improve the national finances, and that is the basis of the convergence programme that we are, this month, presenting to the EU. I am pleased to commend this to the House.

Motion agreed.

Air Quality Statement

4.44 pm

The Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs (Lord Gardiner of Kimble) (Con): My Lords, I beg leave to repeat, as a Statement, an Answer to an Urgent Question given by my right honourable friend the Secretary of State in another place.

“This Government are committed to making sure that ours is the first generation to leave the environment in a better state than we found it. As part of that, I am personally deeply committed to the importance of clean air. I can tell the House that since 2011, the Government have announced over £2 billion to help bus operators upgrade their fleets; support the development and take up of low-emission vehicles; reduce pollution from vehicles such as refuse trucks and fire engines; and promote the development of clean alternative fuels. In addition, in the Autumn Statement, we announced a further £290 million to support electric vehicles, low-emission buses and taxis, and alternative fuels.

Our actions have enabled the UK to make significant progress on improving its air quality since 2010. We now have lower emissions of the five key pollutants: volatile organic compounds, sulphur dioxide, ammonia, particulates and nitrogen oxides. However, due to the failure of EU vehicle emission standards to deliver the expected improvements in air quality, the UK is among 17 European countries, including France and Germany, that are not yet meeting EU emission targets for nitrogen dioxide in parts of our towns and cities. We are taking strong action to remedy that. Since November my department has been working jointly with the Department for Transport to update the Government's national air quality plan for nitrogen dioxide. We have updated the analytical base for the plan to reflect new evidence, following the Volkswagen scandal and the failure of the EU's regulatory regime to deliver the improvements expected on emissions. The plan adapts to these new circumstances by setting out a framework for action.

Following long-standing precedent, we have now entered the period of pre-election sensitivity that precedes elections. In accordance with the guidance covering both local and general elections, the propriety and ethics team in the Cabinet Office has told us that it would not be appropriate to launch the consultation and publish the air quality plan during this time. The Government have therefore applied to the High Court for a short extension of the deadline to publish the national air quality plan for nitrogen dioxide so that we can comply with pre-election propriety rules. The Government are seeking to publish a draft plan by 30 June and the final plan by 15 September. The application will be considered by the court”.

Lord Grantchester (Lab): I thank the Minister for repeating the Answer given earlier in the other place. However, notwithstanding that the Government may wish to absolve themselves by sharing culpability across other EU member states, they were given their final

warning, as was clearly stated in the court case brought recently by ClientEarth, and told that they should publish their proposals to comply with EU law within two months.

Despite the argument that the *purdah* period on government announcements may start from a vote in the other place to undertake a general election, this announcement of government intentions could be said to be a matter of public health. I am sure the thousands of Britons at risk from diseases caused by air pollutants such as fine particulate matter, nitrogen dioxide and ammonia, and the businesses that will suffer lost working days from pollution-related illnesses, would agree that this is a public health issue and that an announcement is desperately needed. Will the Government not consider that an announcement on public health grounds could be made that would then comply with the court and negate any application for an extension?

It would be futile to ask the Government any further questions, as the Minister may well invoke *purdah* in all his replies. If I may, however, I will tempt him further by asking whether a new clean air Act would not be required to give citizens new rights to breathe unpolluted air and rectify the situation across all the responsible culprits.

Lord Gardiner of Kimble: My Lords, I thank the noble Lord for his questions. On his last question, I can say that we believe the legislative framework exists to deal with these matters, and therefore a separate clean air Act is not necessary because they can already be dealt with.

On the issues at hand, we have been advised that there are very strong requirements *vis-à-vis* *purdah*. However, I say to the noble Lord and indeed to all noble Lords that we will ensure that this short delay in the timetable will not result in a delay in the implementation of the plan. It is precisely to deal with the *purdah* issue, relating to both local government and the general election, that we have given the dates by which we want to publish this report. Obviously it is in everyone's interests that we publish, and we want to work in partnership. That is why we are working with the devolved Administrations and the Mayor of London, and indeed we are working with many cities that have this acute problem which we need to address.

Baroness Parminter (LD): My Lords, this is clearly a public health crisis, with 40,000 people dying prematurely in the UK every year because of air pollution and many more suffering from respiratory and cardiovascular diseases. The reason that the Minister has given why this needs to be delayed does not stand proper scrutiny, because here we face a genuine public health crisis, which is a legitimate reason for the *purdah* rules to be put aside. Given that the department has shilly-shallied about producing its 25-year plan for the environment, it is very good at talking the talk on protecting the environment, but it is not good at walking the walk.

I have two quick questions for the Minister. First, does he accept that after Brexit, when we no longer have the European Union obligations, we need firm air quality targets in UK law to hold the Government to account? Secondly, what comfort can the Minister give to both parliamentarians and the public on the

question that, in the absence of the European Union, there is no alternative to costly judicial reviews for the public to hold the Government to account on the crisis of air pollution?

Lord Gardiner of Kimble: My Lords I do not think that the facts bear out what the noble Baroness said. In fact, it was during a Government in which her party was in coalition that £2 billion of taxpayers' money was diverted: £400 million for ultra-low-emission vehicles, £600 million for the local sustainable transport fund, £224 million invested in cycling and more than £27 million since 2013 to retrofit and clean up more than 3,000 of the oldest vehicles. I hope that she would agree that that was a success during the time that her party was in coalition with mine. That is why £2 billion was diverted to that important subject.

On the question of how we will proceed, as I said, this is a short delay in the timetable, because we have *purdah* requirements. That is the advice that I have received. I fully acknowledge that this is a public health issue. That is one reason why considerable sums of money are being invested in it, why we will continue to do so and why we in the department very much want to bring forward these plans after the general election.

Baroness Finlay of Llandaff (CB): Has the public health issue been part of the submission to the courts, because as well as adults, there is now strong evidence that atmospheric pollution impairs the development and growth of children's lungs, which means that you are storing up big problems into the next generation? What have the Government done to ensure that enforcement powers are used when vehicles on the road are belching out pollutants because they have not been properly serviced or there is a fault? Quite a lot of them could be deemed as in the public service, including taxis, buses, and so on. Sometimes they are belching out vast quantities of grey, stinking smoke.

Lord Gardiner of Kimble: I thank the noble Baroness because that plays into why retrofitting is so important, why there has been investment since 2013 of £27 million to retrofit and clean up 3,000 of the oldest vehicles and why we have sought to introduce low-emission buses, taxis and alternative fuels. As I said, this is a very important issue which will need a partnership of us all, whether local authorities, the devolved Administrations, the Mayor of London or us, to mitigate. I have found it interesting how small features—the changing of a traffic light or turning engines off—can change pollution levels and create considerable advances.

Lord Higgins (Con): Does my noble friend agree that the problem of air pollution is greatest in London, and that the reality is that Transport for London has totally failed to deal with the issue? Indeed, it has made it a great deal worse, in two respects. First, it apparently has no authority to limit the number of minicabs. In fact, the extraordinary position emerges that no one has any authority to limit the number of minicabs. Does my noble friend agree that urgent action needs to be taken in that regard?

[LORD HIGGINS]

Secondly, there is the ludicrous way in which Transport for London has been building bicycle lanes. There is enormous congestion as a result of this, not only when they are being constructed but in the longer term. It is an appalling policy. I spend much of my time in Holland, where they do not have any problem with bicycle lanes operating properly without being blanked off in a way that prevents them being used in off-peak periods.

Lord Gardiner of Kimble: My Lords, I shall ensure that my noble friend's points are put to officials who meet fortnightly with GLA officials to discuss air quality. I think that that would be the best way forward.

Lord Campbell-Savours (Lab): My Lords, is not the real problem, in London in particular, lorry emissions? Why do we not have a national programme of conversion of diesel trucks to LPG systems, because tests by Millbrook and HORIBA MIRA show that conversion of trucks to LPG leads to substantial reductions in carbon emissions and substantial savings by lorry operators, with a payback period of as little as 18 months? I have identified a firm called Quicksilver-AFI that has a system that is made for truck conversions, which is not too expensive, and which the Government could pump prime with public money, because the emissions from trucks are very much more substantial than from individual motor cars.

Lord Gardiner of Kimble: My Lords, what the noble Lord said is extremely helpful. I have mentioned retrofitting quite a bit during this Question, but that is a point that I would like to take back, and I am most grateful to him.

Race in the Workplace: The McGregor-Smith Review

Question for Short Debate

4.57 pm

Asked by Baroness McGregor-Smith

What action they are taking in response to the recommendations made in the report *Race in the Workplace: The McGregor-Smith Review*, published in February.

Baroness McGregor-Smith (Con): My Lords, I am delighted today that we have time for this debate. Britain has been an extraordinary place to live and grow up in since I arrived aged two as part of a Muslim Asian family, but that is not to say that I did not face my fair share of challenges to achieve what I have in business because of the colour of my skin and my gender. Sadly, I am still considered the exception to the rule, rather than the norm. I find it appalling that, even today, some of these prejudices still exist, holding people from BME backgrounds back from reaching their full potential in the workplace, as my review clearly shows.

While there is a clear moral case for greater diversity, it is also vital for the continuing strength of the UK economy to have the best available talent in the workplace, whatever their background might be. My review puts

forward that economic case for change. The boost to the UK economy is £24 billion a year if workers from BME backgrounds participate and progress at the same rate as their white counterparts.

The review finds that workers from a BME background are still being held back by the colour of their skin and are more likely to end up in lower-paid and lower-skilled jobs than white workers. One in eight of the working population today are from a BME background, yet only 10% of the workforce is BME, they hold only 6% of management positions, and rarely can they be seen at the top of any public or private organisation. Not only is this wholly unacceptable, but the public and the private sector are definitely shooting themselves in the foot by failing to help people from BME backgrounds to progress.

The review clearly demonstrates there is a huge economic benefit to both employers and the whole economy for BME workers to reach their full potential. Many employers are doing their best to harness BME talent, and I applaud those who take it so seriously, but many others are not, because they do not know what to do. That is why I have published a list of 26 recommendations, urging larger employers to lead the way in tackling barriers to BME progression.

First, I call on companies with more than 50 employees to publish breakdowns of their workforces by race and pay band, to draw up aspirational diversity targets and to appoint a board-level member to be held accountable for delivering on these. When I wrote to the FTSE 100 asking for race and pay band information, only 74 responded and only half of those had any meaningful data. That is, in itself, a real issue: if everyone does not publish data, the Government should legislate to ensure that they do. We should not hold out a lot of hope for this happening voluntarily. Companies have many priorities in these somewhat difficult times, and we will not get meaningful change unless this is done by all organisations whose employee numbers exceed 50. I urge that we legislate in this area very quickly.

Secondly, I want all organisations to use their purchasing power to ensure that they use suppliers that take this seriously. The public sector has huge spending power and this can be used far more effectively. We do not need another review to do this; we just need to change how organisations pre-qualify for work with the public sector. When taxpayers' money is used, it should be done in a way that benefits all citizens in the UK. As the Government decide how best to disentangle themselves from a myriad of European rules on procurement, they must develop simpler processes that drive positive change in this area.

Thirdly, I want senior executives to take accountability for all of this and be the key sponsors for improving diversity in their organisations.

Fourthly, all employers must raise awareness of diversity issues by ensuring unconscious bias training is undertaken by their employees. They also need to have inclusive networks and provide mentoring and sponsorship.

Fifthly, all recruitment practices need to be examined. Non-diverse shortlists need to be rejected; diversity needs to be introduced to interview panels. How many

BME individuals do we see on interview panels today? Work experience and internships need to be offered to everyone, not just the chosen few.

I also discussed a number of other key recommendations, including developing a simple guide on how to discuss race in the workplace—it is still so difficult for many of us to discuss it and I do not even feel comfortable talking about it today—and an annual list of the best 100 BME employers to celebrate success and promote best practice in the business community.

The Government, who asked me to carry out this review, are clearly taking this issue seriously, and I am encouraged that Margot James has created a new Business Diversity and Inclusion Group to bring together business leaders and organisations to co-ordinate action to tackle exclusion in the workplace. Many businesses also take this seriously and I was impressed by many of the case studies and examples of best practice that I saw.

I would now like everyone to adopt and embrace the recommendations and get on with implementing them. I am not keen for any more reports to be written: we just need to get on and change the outcomes for so many people who have great talent. They deserve to be not ignored in the workplace but supported. Let us help them achieve their aspirations and provide a significant boost to the UK economy.

5.03 pm

Baroness Bottomley of Nettlestone (Con): My Lords, I give heartfelt congratulations to my noble friend on the diligence, pragmatism and determination of her report. The evidence is excellently produced; I strongly endorse her conclusions—with minor modifications—and I am delighted that she has not overcomplicated it. As one would expect from an extraordinarily successful businesswoman, she has produced a coherent report that people can follow and take up its relevant practical points.

I have an inkling that race has never been an issue for my noble friend. She is a businesswoman, regardless of her ethnicity. It is interesting that many leaders who have achieved change have begun by avoiding, while not exactly denying, their own characteristics. It was often asked about the first woman Prime Minister, Margaret Thatcher: “What did she do for women?”. The noble Lord, Lord Blunkett, who is blind, fulfilled an extraordinarily senior Cabinet position. I have never known my noble friend talk previously about ethnicity. I feel the same in my own career; originally, I would wear only a black, blue or grey suit, as one of 22 women in the House of Commons. However, there comes a moment when those of us who have broken through a barrier feel duty bound to stand up and help, support and give a pragmatic way forward, not just an aggressive rant.

With the current environment of Brexit, we need all the man and womanpower we can muster. There remains much too much evidence of underachievement from black and ethnic minorities throughout school, into apprenticeships and sometimes at university. Therefore, if we are to be competitive and fill jobs when migration is more difficult, we have an obligation as a country more than ever before to ensure that every individual

is trained and developed to the maximum of their ability. It is still not right that there are so many more exclusions from black and ethnic minorities than there are from white children and that 6% of black school leavers attend a Russell group university, compared with 11% of white school leavers and 12% of mixed or Asian school leavers. As my noble friend said, race and ethnicity are sensitive subjects and much more complex than discussing women’s issues. Different racial groups have different experiences, cultures and backgrounds and are often treated in different ways or survive better in different ways throughout our welfare and national life.

I endorse the response of my honourable friend Margot James, the Minister in another place, where she talks about this being a business-led review. Many of these policies are for business to implement—business acting in its own enlightened self-interest. My noble friend has drawn on help from Business in the Community, where Sandra Kerr has been a great force over many years in this area; from the CBI; and from Professor Susan Vinnicombe, who did so much over 20 years to draw attention to the lack of women on boards; again, not by aggressive campaigning but by relentlessly putting the evidence in the face of boards, naming and shaming, and celebrating best practice. I am delighted that my noble friend has taken this approach in her report.

I am equally pleased that in their response the Government have taken up their responsibility to act not as a legislator over business but to demonstrate best practice as an employer. I support the areas where the Government have said that they are reluctant to enforce legislation now but, my goodness, I am pleased about what is happening in the National Health Service. If the National Health Service is the biggest employer in the country, how right it is that it should demonstrate best practice. When we spoke in this House about my noble friend’s report before she commenced it, I spoke about the work that I had done with the NHS in 1993, working with the noble Lord, Lord Ouseley, talking with groups of people from black and ethnic minorities about their experience. I said then:

“I want to stress that taking action to promote equality in employment is not just a matter of moral justice or of fairness to people from minority ethnic groups. It is good, sound common sense, and it makes business sense too”.

It costs £230,000 to train a doctor. We want to be sure that every doctor’s training is well developed and they have the chance to get to the top. But why has it taken so long for those fine words, expressed in a heartfelt, sincere fashion, to translate into action?

That is why my noble friend is so right: this is not about words but action. I believe that those lessons are being learned. I am delighted that the chief executive of the NHS, Simon Stevens, himself chairs the NHS Equality and Diversity Council. A contractual requirement to drive race equality in the employment of NHS staff is written into the standard contract. Workforce data have to be published, as does information on the proportion of trust board members from BME backgrounds, the relative likelihood of BME staff being appointed once shortlisted, and on the importance of non-mandatory training and monitoring contracts. I say that because this is the Government acting as

[BARONESS BOTTOMLEY OF NETTLESTONE]
 employer rather than imposing excessive rules and regulations on business. I very much hope that that will deliver a result.

Similarly, in the higher education field, if we are thinking about the pipeline and development, particularly of black and ethnic minority people such that they can fulfil their potential, all the way through we want to see people from black and ethnic minorities getting the best possible and fair opportunities. We know that in higher education there are all too few vice-chancellors from black and ethnic minorities—there are too few women but there are even fewer people from black and ethnic minorities. The noble Baroness, Lady Amos, as the vice-chancellor of SOAS, was the first black vice-chancellor, and I hope that there will be many more. However, we cannot ignore the lessons. The Equality Challenge Unit investigated the subject and came out with its recommendations last year. The House will be familiar with the themes: set up mentoring systems, formal and informal; ensure that there is representation and diversity on interview panels; set up BME networks within individual HEIs; and ensure there is access to relevant training. We hear these themes time and again, and have done for so long that people cannot now imply that they have not heard them.

There will be change only when this is owned at the highest level. Therefore, the connection with Sir John Parker's report about ethnic diversity on boards last year is another part of the jigsaw puzzle, as my noble friend so rightly says. He points out that of the 14% BME population in this country,

“only about 1.5% of all FTSE 100 Board directors”,

are from black or minority ethnic groups. Again, we can look at the issues behind the process of recruitment—I declare an interest as somebody who has been involved in recruitment for many years. When we recruit, we tend to look in the mirror and not through the window. Inevitably, people recruit people who they know, like and trust. Many years ago, I kept appointing people to run NHS trusts who used to work for ICI. They were very good people; I did not even know that they had worked for ICI, but I kept doing it. Somebody said, “You know they are all from ICI, Secretary of State”, and I said, “My father worked for ICI in the early part of his career”. We appoint people from our university, from McKinsey, from BP—wherever your stable was, it is inevitable. Therefore, we have to go the extra mile to ensure that we have proper training to remove unconscious bias and ensure that people can genuinely fulfil their potential.

This is a generous-spirited country. We are going through the change of Brexit, and we have had real concern of late over hate crime; this is the moment to go the extra mile. My noble friend has helped to direct us in the right way forward.

5.12 pm

Lord Griffiths of Burry Port (Lab): My Lords, I am delighted to be able to add my own support for and congratulations to those who have brought these issues before us today and that we have been able to squeeze this bit of business in before we all go our separate ways shortly. I therefore thank the noble Baroness for bringing the report here. Business-driven it may be,

but I hope that my more humble contribution from my entire professional life, which has been lived in neighbourhoods, on streets and visiting people in their homes, and the rest of it, will add some light and give a wider context to the points being made.

Certainly, in the 40 years that I have been trying to be active in the field of better relations in communities, there has undoubtedly been progress, some of which has been enshrined in or has been stimulated by legislation brought through this Parliament. Things are not as they were. For all that, it is too early for us to congratulate ourselves. We have terrific panache in this country for being rather more subtle in the racism we deploy. I remember that at the beginning of my own career in the Church, we set up what were called racism awareness courses. All potential ministers were obliged to attend them. I was rather reluctant to do so as I thought myself a jolly good chap—the sort of person everybody would like to know. Through a systematic, well-organised and structured course, I was able to recognise just how subtly racism was embedded culturally in jolly good chaps like me—and it did not do me any harm to be made aware of that. At the end of the day, you can, from above, impose through targets, quotas or whatever as much of a desirable picture as you wish—but, until hearts and minds are changed and until people feel involved in a process, you have not really got to the nub of the problem.

Therefore, I was particularly interested in the sections of the report that dealt with culture and language. In the 40 years that I have been actively committed to these matters, I have never felt that there was a more urgent time for us to revisit them than now, when the question of immigration has been raised. Let it be said that it is a proper question, and that we must look at it as a society. It raises questions and, whatever side of the political divide we are on, we have to give it our very closest attention. However, the fact that it is one of the leading subjects of the day in our political discourse has unleashed some of the very racial attitudes that I have been describing. Linked to the question of immigration and the way we conduct the debate is an awful lot of terrifically dangerous and, I believe, unfortunate material. So it is time that we looked at this again: we must never be complacent in this area of our national life.

I happen to be the minister of a church that has people drawn from 55 national backgrounds. Over 20 languages other than English are spoken by the members of our congregation. Historically, Methodism is a white church, and here am I, a white man, as its minister. However, in our liturgical and other activities, in our social outreach and in our attempt to be useful in the community that we serve, we have to recognise that we must be very careful to develop, systematically, a team of leaders who reflect back to those in the congregation their own diversity. Having people in key positions from the range of ethnic backgrounds that constitutes our church is an important part of that. There is no point in me, as a white man, standing up there, cracking a whip and making things happen—even if it is for a cause which I passionately believe in and which can be shown to be just. We have to find collegiality with people and establish a team that can take forward these matters and ideals.

In the work that I do locally in the field of education, we have all kinds of experiences, and I will share just one or two of them in the time left to me. In a moment I shall adduce the cases that I want to use for illustrative purposes, but I will preface those examples by saying what astonishingly brilliant young people there are from black and other ethnic minorities. They are people I have had the privilege of working with, and I have seen them develop, blossom and flourish. They are to be found, but I just wish that there was more of a flood of them.

Against that background, I want to talk about one or two things. For example, we have been able to establish a scholarship that gets seven children into a leading public school. A philanthropist has made the money available for that. He did not want people from the inner city to go in ones and twos, to be picked off in a rather self-satisfied environment. Therefore, seven go at any one time and some of them have done extraordinarily well. However, I have to say that on balance I am disappointed that they do not seem to end up in Russell group universities. I could discuss over a cup of coffee all sorts of reasons why that might be the case, but aspiration and the culture from which they come are as much a part of what eventuates as the experience of the education that we find it possible to offer them.

I have some responsibility for a secondary school for girls in east London, where 85% are from a Muslim background, mainly Bangladeshi, and wear the hijab to school. Only one girl from the whole of the sixth form ended up in a university that was not in London. Of course, they want to be at home in London and they will do brilliantly in those universities—nobody has anything against that—but somehow the limitation does not seem right: the community we are talking about is itself setting these targets and narrowing its vision, resulting in only one girl from the sixth form applying to a university outside London.

I will take as another example a young man with good A-levels who decided not to go to university. I took him out for a drink and asked him to tell me why. He said, “You will tell me that I could become a journalist or a lawyer or a teacher, that I could build my career and go places and be anybody I wish. I know that discourse—I have heard it. But where I come from there are quicker ways to make money”. He is a rather interesting young man who lives on the streets and he was absolutely serious; he was talking about drugs, crime, football, fame and music. I was totally astonished. I promise your Lordships that although that may be an aberrant example, and perhaps you might think I could have chosen a better one, it is nearer the bone than you would dare think.

Aspiration and culture among those who are waiting to be born in the way that is described in the report and in the remarks of the noble Baroness are part of what we must concentrate on and somehow get stuck into. We must give people the self-confidence to see themselves moving forward in the ways that I have described. I recognise that all that I have said is drawn anecdotally out of my experience, but it is experience that stretches back over 40 years and that has been lived out in our communities. I hope, therefore, that it will prove acceptable, for what it is worth.

5.22 pm

Lord Kirkham (Con): My Lords, to minimise the danger of repetition, the scourge of all debate, my contribution is based principally on my personal experience of more than 70 years as a UK-based born and bred citizen, more than 50 years of learning about, building and directing the affairs of UK retail businesses, and more than 25 years’ involvement with charities that are dedicated to improving the prospects of young people, particularly those from disadvantaged backgrounds.

I start by focusing on the absolute no-brainer business case for employing people from the widest possible pool of talent, a concept I think it is impossible to dispute with any credibility. The extensive retail experience I alluded to encompassed founding and running stores, regional chains and national retail organisations, and successful FTSE companies employing from fewer than 20 to more than 20,000 people. It is generally acknowledged that the best armies have the best soldiers and the best football teams the best players, and that yes, the best businesses employ the best people. So why would any company aspiring to long-term success and prosperity not recruit the very best staff and management it could afford, regardless of their race, religion, gender, age, sexual orientation, size, shape or anything else? There is no valid reason. Why would I or any retailer do any other, when the customers who cross the threshold of our stores are a cross-section of British society today—multiethnic, multicultural and multilingual, and with an equal variety in the depths of their pockets and in their tastes? It is basic kindergarten common sense to ensure that our businesses employ the very best management and staff, enabling us magnificently to fulfil our corporate aims. Clearly, having the widest choice of talent by recruiting from the biggest possible pool is an obvious and easy way of achieving this.

The business case and the moral case march hand in hand to say that no one should be overlooked for a job or for promotion because of where they were born or how they look and speak. But we can and should do more to help those from black and minority ethnic communities to present themselves as the best candidates for any job. That is not just a matter of qualifications but of attitude and, in particular, self-belief. My close involvement with charities that work tirelessly to help disadvantaged young people make the most of their life chances—the Duke of Edinburgh’s Award and Outward Bound—have demonstrated to me how much can be achieved by helping the young to gain confidence, resilience and leadership skills. Many youngsters who benefit from these experiences are in fact from minority ethnic communities in our inner cities, and businesses that we work closely with can point to direct and tangible benefits from integrating the Duke of Edinburgh’s Award, for example, into their apprenticeship programmes.

Ultimately, the best way that we can reach the goal of everyone getting the best job that they can, limited only by their own talents and aspirations, is to ensure that they are the best they can be. We can do that through education and training in schools and voluntary organisations such as the Duke of Edinburgh’s Award

[LORD KIRKHAM]

and by changing attitudes permanently and raising ambitions so that no one thinks that any position is above or beyond them.

Positively influencing the developing attitudes of the young is undoubtedly the key to creating better workers without bias who will have the drive and determination to perhaps become tomorrow's leaders. They will also be better parents and citizens. But making job applicants better can be only part of the story. As the noble Baroness said in her excellent report, we also need to change attitudes within business. We are all sadly familiar with the sentence that begins, "I'm no racist but", and the speaker genuinely always believes what they say. But their bias, even if unconscious, is still there. Such attitudes have grown up over generations and it is not realistic to imagine that they can be changed overnight. In changing attitudes rather than simply actions, evolution trumps revolution every time. That has certainly been my experience, which is why the best way to achieve the fine objectives of equal opportunity and equal rewards is one that puts more emphasis on persuasion than on regulation.

I have been a marketeer all my life and I have been mightily impressed by the powerful and effective attitude-changing, long-term heavyweight marketing campaigns mounted by Governments in recent decades. I am going back a bit now, but if we take road safety as an example it was not just changing the law that made people wear seat belts but advertising on TV every night that helped persuade us of the benefits. Now "clunk, click every trip" is a given. Assisted by graphic and emotive advertising, Governments have achieved a huge impact in recent years in making smoking cigarettes socially unacceptable. Drink-driving, long illegal, is similarly becoming beyond the social pale as the closure of thousands of pubs bears witness. That is an outcome massively influenced by the Government's hard-hitting multimedia marketing.

Those changes in attitudes may have taken time, but that will always be the case where bad habits and prejudice have deep and ancient roots. While we cannot dig out unconscious bias overnight, it is well proven that it can be done over time. I know from my own experience that not only can we enhance the performance of businesses in the UK, we can create a happy and more cohesive society by maximising diversity in both recruitment and promotion. The business and the moral cases could not be better linked or clearer and I urge the Government to push this message hard and relentlessly out there with all the conviction and marketing expertise that I know they have at their disposal. The sooner we start the better. As my noble friend Lady Bottomley said earlier, it is all about action not words.

5.30 pm

Baroness Bertin (Con): My Lords, it is a great pleasure to speak in this debate and I congratulate my noble friend Lady McGregor-Smith on what I think is an important and thorough review. Although much has improved over the past decade, reports like this shine a clear light on the fact that more needs to be done and it serves as a timely reminder to those in power that the foot cannot be taken off the pedal. I welcome many of the recommendations. I should also

point noble Lords to my interests as set out in the register and say that my employer, BT, has invested heavily in this area and strives always to do better.

It is absolutely right that a simple guide should be developed on how best to discuss race in the workplace as well as ensuring easy access to an online portal and celebrating success through a list of the top 100 BME employers. The recommendation for further government collaboration with black and minority ethnic groups, relevant employer representatives and organisations such as Business in the Community is an important one, and I am pleased that the Government will be looking to work with businesses to ensure that they do all they can to fully embed changes within their organisations.

Equally, increased transparency and annual recording of diversity statistics for businesses with more than 50 employees are potentially good ways for companies to monitor what is really going on within their operations and to ensure that they are consciously acting properly in this regard, and just as importantly, making sure that they not operating on the "unconsciously biased" level, which has been referred to in connection with ICI recruitment. The review points out that that can be very common.

For businesses' own knowledge, it is vital that they know exactly where they are on the spectrum of workforce diversity and where improvements need to be made. If you are serious about success, you have to track progress, and to track progress, you must have the figures.

Of course, social mobility and the inclusion of all in the workplace is first and foremost a moral issue, but the economic figures cannot be ignored. The review identifies the opportunity for an additional £24 billion into our economy each year just by realising the potential of BME workers alone. I hope that noble Lords will forgive me if I use this opportunity to pivot into another section of society that is woefully underrepresented in our workforce. We must ensure that we close the disability work gap and this is an essential piece of work if we are ever to ensure a fair and equal society for all. We must do all we can to make sure that disabled people can lead full and rich lives in the same way as non-disabled people would expect to, and what struck me while reading my noble friend Lady McGregor-Smith's important work is that many of the recommendations could also be applied to help improve the situation for this group of people.

The UK has one of the highest disability employment gaps in Europe. Disabled people in the UK are twice as likely to be unemployed as non-disabled people, and even more worryingly, once they are in work, disabled people are significantly more likely to experience unfair treatment than the non-disabled. I suppose that the statistic I find most shocking in this regard is that only 6% of people with a learning disability are in work, yet 65% would like to be. Here perhaps I may briefly read from a Mencap report: "Employers who overlook employees with learning disabilities miss out on valuable contributions to their businesses". According to Mencap, "employing people with learning disabilities can improve perceptions of organisations. Employees with learning disabilities are committed to their jobs, which reduces recruitment costs and people

with learning disabilities take fewer sick days than other colleagues". So this need not be an act of sympathy and it is not about ethics, it is about real productivity and economics.

Can the Minister tell the House how closely his department has been working on a direct basis with disabled and BME people, and how integrated are its views on the problems it faces, as well as its ideas for solutions? As my noble friend points out in her review, possibly the most important piece in this policy puzzle is input from the very people it affects.

The term "work" is so much more than simply employment for any of us. It builds identity, confidence and supports independence. It is clear for both moral and economic reasons that the rate of employment among BME and disabled people, and indeed anyone who faces institutional barriers into work, needs to be put at the heart of all future employment growth strategies.

5.34 pm

Baroness Finn (Con): My Lords, I apologise to the Chamber and to my noble friend Lady McGregor-Smith for entering the Chamber just after she had started speaking. I thank her for bringing this important debate here and congratulate her on her excellent and well-researched review. My noble friend has been a champion of diversity for many years and deserves admiration for her dedication to ensuring that talent should flourish by bringing down barriers, rather than by imposing arbitrary quotas. This review looks at the real issues and the recommendations are practical and designed to overcome them. It looks at, among other things, improving transparency and unconscious bias. It considers the leadership and the prevailing culture of organisations. Most important is the title, as my noble friend made clear: *The Time for Talking is Over. Now is the Time to Act*—no more reports.

Understanding why black and minority-ethnic staff are not meeting their full potential and not rising to the top tiers of management is not a new issue. Organisations often demonstrate a desire to confront the challenges that exist to harnessing the talents of BME staff. As the Government's response makes clear, the opportunity to generate a further £24 billion for the economy is compelling enough. The moral case is unquestionable. My right honourable friend the Prime Minister showed the Government's commitment to the issue by launching the race disparity audit last August. However, while policy intentions are often clear, their implementation is often inconsistent, uncoordinated and lacking in real drive and commitment. Many BME staff do not feel that they are operating on a level playing field. That is why there is a critical need for action.

This debate asks Her Majesty's Government for their actions in response to the recommendations made in the report. As the Government's response made clear, while the majority of the recommendations are for businesses, the Civil Service should lead from the front in taking positive action to make the Civil Service and, where possible, the wider public sector more inclusive. There is, of course, a lot of overlap in the barriers to be overcome. Change takes time, but the

previous narrow focus on targets and quotas has failed to change the culture and has sometimes harmed the cause.

I was very involved with the Civil Service's diversity plan when it was launched in March 2015 as the *Talent Action Plan*. Everybody loved to talk about diversity, yet the first draft of the diversity report submitted to my noble friend Lord Maude, then Minister for the Cabinet Office, was full of a lot of bland platitudes and arbitrary targets. More worryingly, it suggested a discriminatory approach that potentially conflicted with the core principle of recruitment into the Civil Service—that it should be on merit.

Our successful experience of increasing the number of women appointed to public boards had demonstrated that such quotas in isolation had failed to work. They failed to address the key barriers and obstacles that women faced. A key point in this instance was the insistence on track record and proven experience, which meant that the same candidates were constantly recycled from one board to another and did not allow new participants to enter. By replacing such a requirement with an emphasis on ability, we managed to expand the field of female candidates. We made other changes, such as the requirement that job advertisements should be written in intelligible English and make clear what exactly is required. It is not rocket science, but it made an enormous difference. I noted with interest that my noble friend Lady McGregor-Smith made a similar recommendation in her report.

The results of our work on public appointments spoke for themselves. By 2016 the percentage of women being newly appointed to boards of public bodies rose from 34% in 2010 to more than 48%. Even the then Commissioner for Public Appointments Sir David Normington, who did not always rejoice in our reforms, paid tribute in his annual report. We therefore thought it would be sensible to apply a similar practical approach when tackling gender diversity in the Civil Service. In the interests of political impartiality, we commissioned the Hay Group to carry out a proper analysis of women in Whitehall. Its remit was to be brutally honest, to identify real problems and barriers, and to make practical recommendations. The final report was something of an eye-opener. It found that the policies were sound and progressive but that the culture and leadership climate prevented women progressing successfully into senior roles despite the fact that women entering the senior Civil Service possessed exactly the same required leadership qualities as men. Line-manager practice was variable, which meant that women's experiences of leadership and talent were something of a lottery. Most critically, many women simply did not believe that the rhetoric on policy and promotions matched the reality on skills and behaviours.

I will not go into all the detailed findings but will highlight some of the more revealing. One woman described how she applied for a promotion but failed to get an interview. She was told that it was "because I would have performed better than the preferred candidate and it was his turn for promotion". The leaders of the Civil Service were described as simply "not leading" and the culture was described as a "bear pit". The Civil Service leadership was shocked and taken aback

[BARONESS FINN]

by the research, but it emboldened us to commission further work on LGBT, BME and those with disabilities. BME staff in particular, and in my opinion quite fairly, thought that the emphasis on diversity was always weighted very heavily towards gender.

Ethnic Dimension wrote the report on removing barriers to talented BAME staff progression in the Civil Service. The conclusions were strikingly similar to those of the *Women in Whitehall* report and again identified cultural and leadership climates as the main barriers to the progression of talented BAME staff within the Civil Service. Staff complained of a leadership that was not diverse, and of the persistence of unconscious bias and discrimination which blocked the progress of talented BAME staff and meant that there was not always equal access to promotions, projects, senior leaders and secondments. BAME staff were more likely to be marked down in performance appraisals, with little objective feedback as to why.

We published all the reports and used them to inform the senior *Talent Action Plan*, which was published in March 2015. The top senior leadership in the Civil Service worried that the reports were too critical, but the rank and file loved them. A number of staff felt that it was the first time that the conflict between rhetoric and reality had been properly addressed with practical actions and that they were being listened to. The Permanent Secretaries enthusiastically took ownership of the plan.

I return to my point on implementation. The *Talent Action Plan* was seen as a two-year plan. After year 1, in March 2016, the Cabinet Office published a progress report that set out which steps had been completed and which were still “in progress”. It was pleasing to note that the Civil Service had increased its unconscious bias training and appointed five Permanent Secretaries as diversity and inclusion champions. All Permanent Secretaries now have performance management objectives to improve diversity within their departments. However, the BAME report identified the crucial role of line managers in supporting and developing talented staff. It is always easy to write objectives but far harder to put them into practice. I await the two-year progress report on implementation of the *Talent Action Plan*, which I presume was due in March. I appreciate that it is a Cabinet Office-led exercise, but I wonder whether my noble friend can find out when we can expect to see it.

Ensuring the commitment to diversity and to BAME staff is hard work and we need to get it right. I commend my noble friend’s review and her recommendation of a one-year-on review so that the Government can assess the extent to which the recommendations have been implemented. I hope that both public and private sector can share their experiences to improve inclusivity in the workplace, so that the workforce will be able to deliver the incredible benefits to the UK economy.

5.43 pm

Baroness McDonagh (Lab): My Lords, I, too, thank the noble Baroness, Lady McGregor-Smith. It is a great report and a great piece of research. What is better, it is practical and implementable.

I want to tell the House the story of one recent experience and to ask a question of the Minister. Until recently, I was trustee of a charity called Creative Access. It was set up in the wake of the London riots by Michael Foster, who had worked all his life in the creative industries and was a very successful businessman. He was struck for the first time by how few black and Asian people were working in the industry. He established the charity to get more young people in and he went about finding them. For black and young people, it is not just that the door into the creative industries is closed to them; they do not know where the door is. Outside administrative roles, at senior levels the creative industries are populated by more than 90% white, middle-class graduates, mainly men but also some women.

He used his funds to give paid internships. He found companies across the creative industries—we must thank them—to take on these young people. Over time, he got them to fund 50% and the Government funded 50%. The reason for that is that while they started taking these young people out of social conscience, as time went on they found the amazing difference the young people made to their bottom lines. This is an economic issue. We know socially that, if you are black or Asian and young, you are two or three times more likely to be unemployed than your white counterpart. Of course that is a social issue. Yet if you get through the door with the right support and training you can add so much.

Five years on, we had put 720 young people through internships, and 84% of them at the end of that year got a full-time paid job. We were by far the most successful organisation, whether for-profit or not-for-profit, that this country has ever seen in getting disadvantaged kids full-time jobs. We were told that we were loved by the Government and that we would get re-funded. Then something happened called Brexit. The paper was in the box for us to be signed and then things changed. There was a new agenda—a new Prime Minister—and we were told we were no longer to be part of it so we had to shut down. We are now trying to re-establish ourselves as a social enterprise but I tell this story to the House because this report, too, was previously commissioned. So my question to the Minister is: in reality, how many of these recommendations and how much of this report will be implemented?

5.47 pm

Baroness Royall of Blaisdon (Lab): My Lords, I too rise to speak in the gap. I apologise for that, but I had not seen this debate on the Order Paper, and hope noble Lords will forgive me. I declare my interests in the register as chair of Drive. I also pay tribute to the noble Baroness, Lady McGregor-Smith, for her excellent report and her superb speech today.

Incidents of racism and continuing prejudice in our society and places of work are indeed appalling. As has been said, the title of the report is absolutely right: *The Time for Talking is Over. Now is the Time to Act.* In the 21st century, we have a duty to ensure that companies in the private sector, public sector and voluntary sector reflect the communities in which they work. However, the response from the Government to the excellent recommendations in the report is not as

proactive as it should be. For example, I strongly support the call for legislation on the publishing of workforce data on race and payroll, as that would really shine a light on to what is happening in our society.

I will focus my brief comments today on recommendation 16, on the supply chain. When, according to the Hackett Group in 2015,

“On average supplier diversity programs add \$3.6 million to the bottom line for every \$1 million in procurement operation costs”,

it is difficult to understand why there has not been more action on this issue to date. Leading organisations have not only an opportunity but, I believe, a responsibility to develop the entrepreneurial capacity and self-reliance of all the diverse communities in which they operate and draw their talent from, and to the communities to which they sell. The report rightly says that the public sector must use its purchasing power to drive change and that the Government should ensure they drive behavioural change in the private sector. It makes practical recommendations to bring this about.

The government response is all about the public sector equality duty, which is part of Labour’s legacy and, yes, that is a useful tool, but it is not enough to bring about the real change that is necessary for diversity and for the economy. Basic equality standards and diversity are two different things. The Government should have endorsed each of the points within the supply chain recommendations. There is a wealth of innovative best practice out there, and I would draw the Government’s attention to some of the extraordinary initiatives taken by HS2 with its inclusive procurement programme, which embeds the use of electronic data interchange throughout the company and the supply chain. It includes board members having a diversity-related pay element. Collaborating and supporting the supply chain is making a huge difference to that company and could make a difference to so many more.

Finally, on a more general point, government, along with the public, private and voluntary sectors, could and should do a lot more work in schools—especially primary schools—to broaden the horizons of all pupils, from whatever social or ethnic background, so that they can all see the opportunities out there that they could and should pursue. They can see role models such as the noble Baroness, Lady McGregor-Smith, and my noble friends on these Benches. They need to see so many more role models so that they have the inspiration to develop their own aspirations, so let us go out there and act on this excellent report from the noble Baroness.

5.51 pm

Baroness Berridge (Con): My Lords, my noble friend’s report states that it is now time to act and after spending more than a decade working with many of Britain’s wonderful black and minority ethnic communities, action and even legislation is now needed. It is young people’s lives that are being affected here.

As outlined, the first priority has to be data collection, as effective policy or law needs correct data. That priority is in line with Her Majesty’s Government’s current policy on data collection in this area—hence the Government’s race audit of public sector recruitment.

Requiring businesses to publish merely puts them in the same position as most public sector employers, who either publish or know that they will be subject to a freedom of information request. Publishing the data will enable effective media and parliamentary scrutiny of companies as well as creating healthy competition between firms to have the best reputation in this area, which is often an effective driver of change.

The lack of meaningful data, as outlined, in many companies that disclosed data—when they could provide them—indicates to me that these companies rarely think that they will be called to account for the treatment of recruits and employees on the grounds of racial discrimination. Speaking as a former personal injury lawyer, companies knew that prosecutions and civil claims by employees could be defended properly only if they had good systems, such as risk assessments, and kept good data and paperwork. The powerful role of the employment tribunal in assessing claims for unfair dismissal has driven effective change within organisations. Can my noble friend the Minister please outline whether the Government will investigate whether the employment tribunal is being accessed by people who are subject to illegal behaviour of this nature and if not, why not? Further legislation may be needed to bring change in this area, but Her Majesty’s Government should look first into whether current legislation is effective.

I would also be grateful if my noble friend the Minister could explain the logic of why companies should be subject to health and safety regulation, employment legislation, hygiene legislation and various powers of licensing—with the local authority having various powers even to enter the premises—but why, on this matter, legislation is not appropriate. I would be grateful for an explanation.

5.53 pm

Baroness Burt of Solihull (LD): My Lords, I add my congratulations to the noble Baroness, Lady McGregor-Smith, on her excellent report. It is full of wisdom and practical recommendations to change the culture and practice of encouraging diversity and inclusion in British business. It is a shame that the Government have refused to accept the necessity of a strong steer in implementing the recommendations. As the report says:

“Daylight is the best disinfectant”.

It recommends that companies with 50 or more employees should report annually on the ethnicity of their workplace by salary band and produce aspirational targets every five years. I was quite shocked by the figures on ethnic representation in the workforce—the loss of energy and talent, which, if properly harnessed, could increase Britain’s GDP by £32 billion a year.

You would think that there should be no need to legislate and that businesses would see the wisdom of encouraging diversity within their workforce. That certainly seems to be the Government’s point of view. However, just as with women on boards, and just as with the wage gap between men and women, it sometimes takes more than common sense for companies to act in their own best interests. It took a threat such as that made by Business Secretary Vince Cable in the previous

[BARONESS BURT OF SOLIHULL]

Government about the underrepresentation of women on boards, and it took legislation to tackle the inequality of women's pay, but the strongest language used in the Government's response to this excellent report is "encourage". "Encourage" means nothing, especially if you do not even realise you are discouraging and excluding some of your employees from being promoted or even not selecting them in the first place.

We are all guilty of unconscious bias. We all unconsciously favour people like us—people with the same background, the same skin colour, the same sex and even the same sense of humour. The noble Lord, Lord Griffiths, gave us an eloquent explanation of his exposure to unconscious bias training and of what happens when unconscious bias is not challenged. The noble Baroness, Lady Bottomley, rightly commended the work the Government, as an employer, are doing on racial diversity, but there is nothing to impose what she termed "excessive rules and regulations on business". I do not think that any of the rules and regulations here are excessive. The noble Lord, Lord Kirkham, wants us to achieve culture change through marketing messages and to use schemes such as the Duke of Edinburgh's Award to help life chances, but does not want legislation. He cited the example of "Clunk Click Every Trip" on seatbelts, but it is illegal not to wear your seatbelt. I am confused about which he feels should come first: legislation or attitude change—the chicken or the egg. Why not legislate? We will achieve change even faster. The noble Baroness, Lady Bertin, rightly pointed out the contribution that disabled people can make and the shocking loss of the talent they could bring. The noble Baroness, Lady Finn, spoke about the conflict between rhetoric and reality—between warm words and what actually happens in the Civil Service. I commend the work that is being done in the Civil Service. The noble Baroness, Lady McDonagh, talked about a scheme that started out of social conscience but made a fantastic contribution because of the diversity and talent it brought.

I agree with all the recommendations of the noble Baroness's report but I want particularly to mention those on procurement. I agree entirely with what the noble Baroness, Lady Royall, said. To me, it should be a moral as well as a business imperative for government to procure from people who look like the people we serve, whose money we are spending, but I saw in the Government's response to my own report on diversity and inclusiveness for women-owned businesses, the Burt report, that there was a reluctance on the part of government to use its most persuasive tool—procurement—to encourage women-owned businesses to pitch for government business and grow, which is just the effect that legislation on procurement from women-owned businesses in America has achieved. We have had the argument over women. We know that women have at least as much talent as men, but they still fail to get promoted, often by men.

You have to act to tackle unconscious bias. "Encouraging" is not enough, and we do not have years to wait. Let us not just "encourage" business to measure its performance and to plan for a more diverse, inclusive and thus successful company. Let us not just "monitor developments". Let us ensure that companies

understand what unconscious bias is. Let us ensure that they measure their performance. Let us applaud the best, most successful companies. In the post-Brexit world, we will need the talents of everyone to make our way and to succeed in the diverse global economy that we will face.

6 pm

Lord Stevenson of Balmacara (Lab): My Lords, I congratulate the noble Baroness, Lady McGregor-Smith, on her report, which, as my noble friend Lady McDonagh said, is both practical and implementable, which make it a very welcome read. It is easy to see how she could arrive at that arrangement. I mean no disrespect to say this, and I hope the noble Baroness will not take it the wrong way, but the fact that it comes from the Conservative Benches and is written in a very level-headed and logical way makes its impact all the more powerful. We on these Benches, and other colleagues, have raised issues that she raises over a number of years but have not got the sort of response that I have heard today around the Chamber to the recommendations that have been made. I hope it bears also on the Minister when he comes to respond that this is a very well-considered report, which has come from a very interesting area in the political spectrum and has received support all round the House. As many people have picked up, it needs a lot more of a response from the Government than we have seen so far. I hope that when the Minister responds, he can fill in some of the gaps in the Government's response to this excellent report.

We have had some very good responses from those who have spoken in the debate. I particularly liked the illustrations used by my noble friend—I can call her that, as she was once my Minister—Lady Bottomley and by my noble friend Lord Griffiths. I sympathise with his feeling that he was in the right place on all these matters because he was in an area that seemed to suggest that, as a jolly good chap, he could implement changes—but then discovered to his horror how difficult it was to actually make the transition. I have been there too. The noble Lord, Lord Kirkham, with his direct experience of trying to serve a wide and disparate consumer base, also picked up the point that there are some very obvious lessons to be learned by just looking around us at what we do. For example, looking at the Box to my right, it is very surprising to see a group so representative of the ethnicities in this country, and yet to not make that an issue at all. This is just how it is now in many parts of the Civil Service, and I congratulate it on what it has achieved in that.

It is worth reflecting on the key findings, because they are so startling. One in eight of the working-age population is from a BME background, but only 10% of the workforce and 6% of top management are. The employment rate for ethnic minorities is only 62.8%, compared with 75.6% for white workers. The gap is worse for some ethnic groups; for instance, for those of a Pakistani or Bangladeshi background, the rate drops to something like 54.9%. People from a BME background have an underemployment rate of 15.3%, compared with 11.5% for white workers, and many of them would like to work more hours than they currently do. I found this finding particularly interesting: all BME groups are more likely to be

overqualified than white ethnic groups, but white employees are more likely to be promoted than those from all other groups. The potential benefit to the UK economy, which many noble Lords picked up on, from full representation of BME individuals is estimated to be an improvement to our GDP of £24 billion a year—1.3%. It does not take much to feel anger about that.

A lot of people have also suggested that that will lead to the agenda of change that one would like to see, but what we get from the Government is, I think, a very poor response indeed. As somebody has said, this is largely a voluntary arrangement: the report deals with the private sector and the Government can affect only the public sector. But this leaves completely untouched the areas in which the Government have both a stake and an opportunity to make real change. The points made by the noble Baroness, Lady Berridge, were very salient in this area: if it is true for health and safety, and for other aspects of public life, why is it not true for employment rights, for which the benefits are so clear and the attitude so obvious?

Looking in more detail at the government response, the response from the Minister, Margot James, is good in the sense that it picks up and reflects back to the report's author the value that is in the report. We should all accept that it is indeed very valuable. The response says:

"It is clear from your report that you have examined the issues around race in the workplace ... The findings are stark ... it is clear that more has to be done"—

so the rhetoric is good so far. The recommendations are then dealt with, but it is quite clear that the Government have taken the strategic view that the only impact this can have is on employment in the Civil Service. They completely ignore the points made by my noble friend Lady Royall and others about the impact that the Government's procurement system could have in changing the whole way in which people regard race, gender and other aspects relating to ethnic minority issues in relation to the world that we have to inhabit—and I suspect it will get worse after Brexit.

Under the heading "Supporting business", the Government's response is basically, "Not us, gov":

"Businesses are best placed to know what support they need to improve diversity and inclusion and so we will work with them to ensure they have the resources they need to fully embed change within their organisations".

I will be interested to hear what the Minister has to say about that. As far as I can see, that rather bombastic statement appears to apply only to,

"developing a guide on discussing race in the workplace as well as having a single portal where useful case studies and unconscious bias training packages can be sourced".

That is pathetic, given the scale of the issue we are talking about. In any case, the Government do far more in making sure that training happens and ensuring that apprenticeships are going to be of a high standard—they will be specifying in future legislation and regulations all sorts of things to do with the quality and content of apprenticeships—so why do they not say in this report, "We will use the opportunities coming up with the Technical and Further Education Bill to ensure that these issues are taught properly and that people understand their responsibilities and the implications of what they do in the workplace"?

The next heading is "Improve transparency". As people have said, daylight is often the best disinfectant, and we should never neglect that—it is often the first response and a good one—but it will never be sufficient to get to where I think the author of this report wishes to go. On this one, again, the Government seem to be incredibly limp, saying,

"we believe that in the first instance, the best method is a business-led, voluntary approach and not legislation as a way of bringing about lasting change".

Ministers are always taught when they first step into their department that legislation is probably the last resort. I am sure the noble Lord, Lord Prior, will have had that lesson when he first stepped into the Department of Health, his first appointment when he appeared in front of this House. He will have been told, "You can do far more by changing culture and attitudes". At the end of the day, though, legislation is necessary. I am sure that the noble Baroness, Lady Berridge, would be able to exemplify what she said about the way in which the courts deal with employment and other things have really changed how the culture operates because there is a standard to which employers will be judged.

I want to pick up issues relating to supply chains, which have also been picked up by other noble Lords. It is the case that organisations, particularly in the public sector but not only there, have been able to change attitudes and approaches all through their supply chains by specifying in contractual terms what they will and will not tolerate. Why is it so obvious in the Government's response that they do not see this as an opportunity? We have found in other areas of government policy over the past few years examples of where the Government could use their power to effect change. I am thinking particularly of a debate that I had with the Minister only recently about how to improve payment practices for small businesses, where the exemplary, voluntary approach does not work, with something like £64 billion worth of outstanding cash sitting around in big companies' pockets that should be paid over to small companies but no power that can get that to happen. This has a devastating effect on the economy, on small companies and on the whole process. The Government could do something to sort that out but have chosen not to do so, simply providing someone who will be a postbox for those who wish to complain about it.

The previous Labour Government required that all major projects should make sure that they had a supply of apprenticeships in all the contracts that were signed. Crossrail, which this Government have used a lot as an exemplar of where they want to get to, employs apprenticeships at a high level, and has been very successful in doing so, because the contract specified that those who had benefited from the monies that were being paid for Crossrail should employ apprentices. It can work, and I do not understand why the Government do not do that.

I could go on, but I will not. I will end with some questions for the Minister. The review concluded, in a wonderful phrase:

"There is discrimination and bias at every stage of an individual's career".

[LORD STEVENSON OF BALMACARA]

The figures that I cited reinforced that. The noble Baroness, Lady McGregor-Smith, asked businesses and the Government to act on her recommendations, as the consequences of not doing so would be damaging to the economy and the aspirations of so many, but the Government have decided not to do so. Can they explain why they think a voluntary approach is the right way to do this? As I have tried to exemplify, there are so many ways in which action could be taken, but a simple one, picked up by others earlier in the debate, is that a duty to publish figures in relation to gender pay has been imposed by this Government on all companies of a significant size. Why not extend that to ensure that we get the information necessary for companies to publish data on BME staff?

During the review, as I think was mentioned in the opening address, only 74 FTSE 100 companies replied to the call for data, and only half of those were able to share any meaningful information. Does not more need to be done here? Can the Minister give us an example of how he will put pressure on companies to ensure that at least the information required by one of their own who asks for it should be available? Again, this should be published.

The review highlights the importance of work experience opportunities that companies provide and reiterates a view that we on this side of the House have expressed that unpaid internships can act as a barrier to those without financial support to undertake them. What is the Government's response to that observation in the review, and what action will they be taking to address the barriers of unpaid internships?

One of the review's key recommendations is for the Government to assess the extent to which its recommendations have been implemented and take necessary action when required. Will the Government commit to doing that within the suggested timetable of a year and, if so, can the Minister explain how that will happen?

Finally, the Government's response indicated that they will be setting out to all companies and institutional investors the value of employing a diverse workforce. How do they plan to do that and when will we see it?

The noble Baroness, Lady Bottomley, said, picking up on a point made originally by the noble Baroness, Lady McGregor-Smith, that we have had enough reports in this area. We know what the problem is. It is time now for action. I do hope that the Government will get on with it.

6.11 pm

The Parliamentary Under-Secretary of State, Department for Business, Energy and Industrial Strategy (Lord Prior of Brampton) (Con): My Lords, it is one of the privileges of being in this House that one can sit through a debate such as this. We are talking about one of the big issues of our time—not just in this country. It is incredible to me that, 50 years after Martin Luther King gave his great speech, “I have a dream”, we still have a Black Lives Matter campaign running in America because young black men are being shot by policemen. This is not a British problem; this is a societal problem in pretty much every country in the world—not just in

white-majority countries but in black-majority countries, Indian countries, African countries and the rest. Race is a huge, profound and difficult issue. There are no easy answers to it. If there were, we would have found a solution many years ago.

Let me start with a short extract from the excellent review by my noble friend Lady McGregor-Smith:

“Every person, regardless of their ethnicity or background, should be able to fulfil their potential at work. That is the business case as well as the moral case. Diverse organisations that attract and develop individuals from the widest pool of talent consistently perform better”.

My noble friend Lord Kirkham says that it is a no-brainer. I think that everyone who has contributed to this debate would say that: it is a no-brainer. That is the extraordinary thing about this subject: it is a no-brainer. The moral case is obvious. The economic case is a no-brainer. Yet, as my noble friend Lady Bottomley and the noble Lord, Lord Griffiths, asked: why has it taken so long? If it is a no-brainer, why is progress so slow? Why do young black people have lower aspirations? That is the conundrum that we face today.

The Government welcome my noble friend's report and encourage businesses to take forward her recommendations. We will work with employers to support them in improving their diversity and inclusion. From a personal point of view, I believe that daylight is the best disinfectant. That is an easy catchphrase, I know, but it is absolutely true.

I want to talk a little bit if I can about my own experience in the NHS, where I was chairman of the workforce race equality standard advisory group before I went to the Department of Health. We have heard a lot about institutional racism over the years, especially in relation to the police following the Macpherson inquiry into the tragic murder of Stephen Lawrence. You would think sometimes, when reading about that, that it was only in the police and that it was only the police that were institutionally racist, but let me paint you a story about the NHS. It brings forward the contrast between words and actions, because the NHS constitution is clear that:

“All NHS staff have the right to be treated fairly, equally and to work in an environment that is free from discrimination”.

Those are almost the same words as in the constitution of the United States, which talked of liberty, equality and the pursuit of human happiness at a time of slavery and segregation. As we say in Norfolk, “Fine words butter no parsnips”. Again, this echoes the title of the McGregor-Smith review: *The Time for Talking is Over. Now is the Time to Act*. How many times and how many people have said that in the past—and here we are?

Some 20% of the NHS workforce are from a BME background, but only 5% of senior managers are from a BME background; 40% of hospital doctors are from a BME background, and only 3% of medical directors are from a BME background. Out of all the hundreds of NHS organisations, only three CEOs and four nursing directors are from BME backgrounds. People from BME backgrounds are twice as likely to enter a disciplinary process than white people. Even where there are very high levels of BME staff or very large BME communities served by a hospital, representation

of BME people in senior leadership positions is far too low. I am sorry that the noble Lord, Lord Patel of Bradford, is not here, because for a short time he was chairman of the Bradford Teaching Hospitals NHS Foundation Trust, and he told me that there was no one from a Pakistani background in a senior position in that trust, despite the fact that the community that the hospital served was largely made up of people from that ethnic background.

These facts have been revealed only recently, in a paper called *The "Snowy White Peaks" of the NHS*, by Roger Kline. From that, we have developed nine standards—the workforce race equality standards, or WRES. My noble friend Lady McGregor-Smith talked about transparency; every trust has to produce nine standards, in public, going from board representation, training opportunities, promotion, levels of discrimination and the like. They will be published every year, and they have been incorporated not just into the NHS standard contract, which my noble friend Lady Bottomley mentioned, but into the regulatory system in the CQC's well-led domain.

Research has been published by the King's Fund's Michael West, Mandip Kaur and Jeremy Dawson, in a paper called *Making the Difference*, which makes it absolutely clear that there is a very close correlation between hospital performance, whether it is measured in patient or clinical outcomes, or however you measure it, and diversity. That is supported by work done by McKinsey which shows very clearly that boards with a diverse membership get better corporate results.

We know that black and other minority ethnic people suffer in other ways, not just in the workforce. They die younger. Research done by Professor David Williams, now of Harvard University, estimates that 200 adult black people die prematurely each day in the USA because they are black not white. It is not just about poor housing or less healthcare, because it is true also of college-educated black people in the USA, but because they have to try that much harder and have to be overqualified and put up with all those subconscious slights of day-to-day living: a look of fear in the face of a single white woman; the look of surprise at a moment of success; not getting a good table or good service in a restaurant; and lack of courtesy from other people—all those small slights.

I can recommend to anyone who is interested Professor Williams's TED talk called "How Racism Makes Us Sick". In it, he reported on a very broad experiment and noted that black people were associated with words like "violent", "poor", "religious" and "lazy". For whites it was words like "successful", "wealthy", "progressive", "conventional" and "educated". That is why there is subconscious bias—because there is this stereotype. The noble Lord, Lord Kirkham, said, "I am not a racist, but". I suspect that applies to everybody. We have a deep, subconscious stereotype of what different people are like and I will come now to why I think that is.

This is my personal view—but it is not just mine. Despite what we have heard from other noble Lords, we have made more progress in removing discrimination against disabled people, women and people with a different sexual orientation. The crucial question is: why has race been so difficult? In part it may be

because the roots of the issue are not just cultural but evolutionary. Xenophobia has deep evolutionary roots; suspicion or aggression to outsiders has been an effective strategy for human beings and, more importantly, our forebears for millions of years. Today, interview, selection and promotion processes in the workplace are the modern setting where intrinsic, subconscious bias now most evidently—but, as I have argued, by no means exclusively—plays out. We pick people "like us"; people who will "fit in"; people who will be part of our team: in other words, white, male and who want to play rugby at the weekends.

I have just read a fascinating book called *East West Street* by Philippe Sands, who writes about the origins of two strands of international criminal law originating from the Nuremberg trials after the war: genocide and crimes against humanity. In the epilogue he concludes powerfully that, for all the disadvantages and unintended consequences of the former law—which focuses on groups rather than individuals—it is necessary because:

"I am bound to accept that the sense of group identity is a fact".

As long ago as 1883, the sociologist Louis Gumplowicz, in his book on the struggle between the races, noted that,

"the individual when he comes into the world is a member of a group".

This view persists. A century later, the biologist Edward O Wilson wrote that:

"Our bloody nature ... is ingrained because group-versus-group was a principal driving force that made us what we are".

It seems to him that a basic element of human nature is that,

"people feel compelled to belong to groups and, having joined, consider them superior to competing groups".

Yvonne Coghill is the co-director of the workforce race equality standard programme in the NHS. She is a black woman from the Caribbean who has been a nurse in the NHS for 30 years. Knowing that I was taking part in this debate, she wrote to me last week, saying: "Beliefs about what good looks like, what constitutes beauty and brains, are deeply ingrained in our society ... the problem of race is a systemic and structural one ... we are fearful and anxious about differences".

Of course things have got much better. The six race relations and equality Acts between 1965 and 2010 have had an impact. Overt racism is rarely seen. The civil rights legislation in the USA came in from the 1960s onwards, together with affirmative action programmes. Interestingly, Professor Williams, to whom I referred, got his first break with a minority scholarship to the University of Michigan. I believe very much in giving people an extra hand. You have to look at people's potential rather than their actual achievements. However, subconscious discrimination is still a major factor in the USA.

What is the conclusion from this? I think it is that there are no quick, easy answers. There is no one piece of legislation that we can pass which will solve these problems. The case for greater urgency is made in this review. As the EY case study in the review states:

"We believe that culture change takes time—and we are therefore patient and at the same time impatient",

to change the status quo.

[LORD PRIOR OF BRAMPTON]

We are impatient to tackle this issue because it is a moral and economic imperative. However, we will have to be both patient and impatient—patient because we are trying to change deep-rooted behaviour and impatient because racial discrimination is both a moral outrage and a huge economic opportunity. This very important review from my noble friend Lady McGregor-Smith has the full support of the Government. We will not resort to legislation straightaway but will see how things go. If legislation is needed at some time in the future, we will, of course, consider it at that time.

I conclude by again thanking my noble friend for this report. I hope that in two, three, four or five years' time, we can look back at this as a moment when things started to accelerate. However, I fear that we need some patience.

Lord Stevenson of Balmacara: I congratulate the noble Lord on his interesting speech, which I will read in *Hansard* and reflect on. He was asked a number of serious questions about policy from not just me and

my noble friends but by noble Lords on the other side of the House as well. I would be grateful if he could confirm that he will write to us about these issues.

Lord Prior of Brampton: I should have said that a number of questions were raised that I could not address—for example, on different issues connected with disability and other issues, including one raised by the noble Baroness, Lady McDonagh. I will read *Hansard* tomorrow and write to noble Lords on those issues.

Technical and Further Education Bill

Returned from the Commons

The Bill was returned from the Commons on Wednesday 19 April with a reason and amendment. The Commons reason and amendment were printed in accordance with Standing Order 50(2).

House adjourned at 6.27 pm.